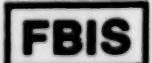


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11 December 1985

Southeast Asia Report



FOREIGN BROADCAST INFORMATION SERVICE

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11 December 1985

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AUSTRALIA

NEIGHBORS OF U.S. INSTALLATION EXPRESS CONCERNS

Broadway THE NATIONAL TIMES in English 1-7 Nov 85 p 9

[Article by Geraldine Brooks: "Life On The Nuclear Hit-List"]

[The National Times Subslug: "Geraldine Brooks travels to Exmouth, Western Australia, home of the US Navy's North West Cape satellite transmission station and Australia's No 1 nuclear target"]

[Text] "I THINK it would be nice to go in the first band," says Katy Wimburn, but tiring a muffin for her small son. "Life's not going to be worth living after a nuclear war anyway."

We are sitting in the back room of the general store at Exmouth, North West Cape, sipping tea among stacks of cartons containing everything from denim overalls to disposable nappies.

A few kilometres down the road, a 500 hectare coliseum of antennae is beaming commands to the United States Navy's nuclear-armed submarine fleet. This transmitter is one of the two most powerful outside the Soviet Union, the major command voice for the United States fleet patrolling the Pacific.

Last night, says Wimburn, she and her family watched a television documentary on the nuclear bomb count. "They were talking about a nuclear war where five per cent of the weapons are used," she said. "They had a big world map and they lit up all the places that would go in the first strike."

Exmouth was one of the places that lit up. Wimburn shrugs. "You see these programs every year or so. You live here, you live with it."

About 3,000 people live on North West Cape, a finger of orange desert poking into the Indian Ocean. A third of the population is American military personnel, a mixed lot of duty tours that average less than two years. Most live in identical rows of concrete block bungalows plopped down on the desert sand when the base was established in 1961. All have huge air conditioning units whirring day and night, fending off a sun that blazes from cloudless skies some 300 days a year.

Like Katy Wimburn, cape residents don't have much trouble thinking about the unthinkable. "Visit Exmouth, Australia's No 1 Nuclear Target", reads a T-shirt promoting one of the town's two pubs. "Get Bombed at the Pub Shoot Inn". Apart from some tourist business attracted by game fishing, almost everyone in Exmouth relies on the base for employment.

Because of its isolation, North West Cape has attracted very few demonstrators. There hasn't been a big protest there since 1971, when a few busloads of demonstrators braved the bone-shaking journey north from Perth over 1,000 kilometres of desert road. Some residents, concerned with the local economy rather than global nuclear

strategy, took to them with pieces of two by four.

But in many ways, the base is the most vulnerable of the US installations in Australia. The renewal of its lease comes up in 1988, just in time for the Bicentennial and, possibly, the next election. "If the Left and the peace movement focus all their efforts on North West Cape, the Government would have a hard time resisting calls for its removal," says Desmond Ball, head of the Strategic and Defence Studies Centre at the Australian National University.

Unlike Pine Gap and Nurrungar, which have to be where they are to collect signals, there isn't any reason North West Cape's transmitter can't be located elsewhere. In fact, the Americans had intended to put the base in the Marianas Islands until Sir Robert Menzies made an aggressive pitch for it. And while the Government can argue that the other two bases are essential for monitoring arms control agreements, it can't make any such case for North West Cape.

But these political ripples don't reach as far as Exmouth. "We don't see too many newspapers up here," explains one American officer. Indeed, for the Americans assigned there, the remoteness of the place sometimes comes as a shock. "I looked out the window of the plane and there was nothing down there, nothing but red dirt," says Gina Fiening, wife of a Navy chief petty officer. "I turned to David and said, 'Oh my God, what have you gotten me into?'" It was December and at five in the afternoon the temperature was 120 degrees.

That was two years ago, and Gina Fiening has adjusted to the limited life of Exmouth, the way she has adjusted to many strange places in her 10 years as a Navy wife. "It's sort of hard," she says. "You just get settled and meet people and then you have to move on."

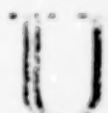
The Fienings cling to anchors of Americana no matter where the Navy happens to wash them ashore. There are the Israeli games they watch on videotape, trips to the Navy built bowling alley or the comforting familiarity of Hershey chocolate bars

for sale in the Navy's airport stocked supermarket.

Many of the Americans at the base will tell you that they chose the Navy because they had very few other choices. David Fiening grew up on an Illinois farm where sons either went on to the land or into steel mills. With the rural recession and the collapse of the steel industry, neither of those options offered as much as a military career.

You meet them one after the other at North West Cape: the Pittsburgh boy who couldn't get a job in the steelworks; the young doctor who joined the Navy to get a medical education and can't wait to get back to his beloved Idaho mountains; the San Diego officer who spends his off-duty hours nursing the baby he rescued from a road accident. They are good-hearted, gentle people who nevertheless believe implicitly in their country's militarism.

These people aren't concerned about the state of the AN/US treaty or the debate over US bases in Australia. "By the time you hold your next election we'll all have been transferred off someplace else," says one young sailor, "so it doesn't make any difference to us whether this base is a political issue or not."

 **NEED STATES** Naval Communication Station Harold E. Holt, as the base is officially named, is a remarkably relaxed military facility. You don't see many crisp white uniforms or too much snappy saluting. The dust and the heat conspire to give the place and its personnel an air of shabby casualness.

Just before noon, a group of sweaty young men lopes out the front gate and puffs off down the desert road. "They're on the fat-boy program," explains one sailor. Only the overweight are subjected to the rigours of compulsory daily drills.

Unlike Pine Gap's blanket of silence and secrecy, North West Cape has less security than your average bank. Its gates are often open to the public. There are even tours of the big transmitter's control room for tourist groups.

It is on such a tour that the reason for the openness becomes apparent. The facility is old, its technology so far from state of the art that the US Navy has nothing there worth hiding. The control room's not hidden. The valve components are due for replacement.

"This place is 30 years old," says the technical officer whose job it is to minimise leakages and keep the flow of coded messages pouring from the Pentagon to its fighting fleet. "We're getting a team out here to try and keep it going for another 10 years, till we get solid state electronics instead of the valves."

As we wander through the big warehouse-like building we are joined by a contingent from Australia's Special Air Service. They are on the Cape acting out who knows what phantasmagorical scenario of terrorism that requires them to jump from planes, several kilometres out to sea.

Between jumps, someone has offered to give them a tour. Soft-skinned, fresh-faced, they look more like boy Scouts than the legendary hard men of the SAS, and they follow their guide with polite attention.

Later, they fill the bar at the Red Shot pub. For once the place is full of loud young Australians rather than the usual contingent of off-duty Americans. Many are still wearing their camouflage fatigues, and they are full of bravado. Someone has let them off the beach tonight, and as word goes round that their curfew has been pushed back from 10.30 to 11 to midnight the talk gets louder and freer.

They are bragging about parachute jumps from "two or three grand", about mishaps called "budding" and "spearing in", and about the inadequacy of American troops. "One of them jumped out on top of one of our guys and bloody collapsed his rig for him. They've got no bloody discipline. Look at them," he snarls, cocking his head towards a quiet group of slightly built young men and women of the US Navy. "I'd hate to find myself in combat with them."

IN A corner, one young warrior is staring intently into his beer. He is talking about action he saw in Northern Ireland. "I

still don't know why we were there. It's not our fight. My mate got his legs shot off. He's hanging on to me, he's screaming, 'Don't let me die mate, don't let me die.' I pulled him up and carried him out of there and I swear I felt like giving it all away."

It's not our fight. It is hard to find anyone in Exmouth who agrees that this remote sliver of red rock and grey scrub should be a nerve centre of the nuclear network. Like the Langer town lying languidly in the morning strips of shade provided by the giant antennae towers, the townspeople are content to extract whatever benefits they can from the base's presence.

Elizabeth Bowyer is the closest thing Exmouth has to a dissident voice. She and her husband recently reformed a Labor Party branch in the town, which hadn't had one since the 1970s. But even Bowyer doesn't seek the base's removal.

"This town was really built around the base," she says. "There would be a tremendous amount of unemployment if it was shut down, and I don't think the ALP would do that. I think they should press for more Australian involvement, with us knowing everything that's going on."

Of course, Australia has not always known everything that has gone on at North West Cape. During the Middle East conflict of 1973, for instance, messages putting the US fleet on high alert were relayed through North West Cape without the Australian Government being informed. Although that's not supposed to happen anymore, North West Cape could one day send out a signal ordering a nuclear attack. That, for some Australians, is reason enough to have the place closed down.

And one of them recently made the trip to North West Cape. Along the vast white beach that extends, empty, on either side of the desert promontory, someone left a fragile message of protest. Carefully carved into the sand, in letters a meter high, were the words **PLATE AND LOVE**. A little further down, the first traces of blood were already washing over a dramatically scarred **NO NUKES** sign.

AUSTRALIA

CANBERRA CONDEMNS LATEST FRENCH NUCLEAR TEST

HK251018 Hong Kong AFP in English 1009 GMT 25 Nov 85

[Text] Canberra, 25 November (AFP)--Australia today condemned French nuclear weapons testing in the South Pacific after another test--the seventh this year--at Mururoa Atoll.

Foreign Minister Bill Hayden said in a statement issued after the test, detected by New Zealand seismologists early today, that France "continued blatantly to disregard the opinion of South Pacific nations against nuclear testing in the region."

He warned: "Continued nuclear testing in a region proclaimed a nuclear-free zone by the majority of its member states would only antagonise those nations and further strain their relations with France."

Mr Hayden said that this strain was not in the interests of France, of Western countries or of the South Pacific.

He added that whatever the view France took of its security needs, it had no justification for continuing its test programme at Mururoa.

In his longest and most detailed attack on the French nuclear programme for some time, Mr Hayden said the Australian Government did not accept French claims that these tests were harmless.

Scientists from Australia, Papua New Guinea and New Zealand who visited Mururoa in 1983 did not give the tests a clean bill of health as far as their long-term effects on the environment were concerned, he said.

Mr Hayden said that Australia would continue to press for a comprehensive test ban treaty.

He argued that, pending such a treaty, the world had a right to expect that tests be held on the nuclear powers' home territories rather than in nuclear-free regions.

All countries should respect restrictions on testing provided for in the partial test ban treaty and in the threshold test ban treaty, he said.

The foreign minister said that the Australian Government would judge the nuclear powers by these criteria.

He added that France was the only nuclear power currently acting contrary to one of the criteria, by deploying its nuclear deterrent for the benefit of its home territory in Europe while the principal cost--testing--was inflicted on the nations of the South Pacific.

/12232

CSO: 4200/297

AUSTRALIA

COLUMNIST SAYS ANZUS DEAD BEFORE CHRISTMAS, BLAMES LANGE

Sydney THE AUSTRALIAN in English 6 Nov 85 p 11

["Defence" by Peter Young in Auckland: "Uncle Sam Will Drive A Hard Bargain When ANZUS Ends"]

[Text]

IT IS now almost certain that ANZUS will be dead before Christmas and that Australia will have to renegotiate a new bilateral defence agreement with the United States.

Despite the limitations of Article IV, which called for confidential enhancement of any action under the treaty, and the requirements of self help spelled out in the Guam Doctrine, the spirit and intent of ANZUS offered a virtually open-ended US commitment to Australia and the South Pacific.

Although the advantages of the special relationship that has been built up over the past 40 years between Canberra and Washington will not be lost entirely, Australia can expect to have to meet a much closer congressional scrutiny of any replacement arrangement.

The blame for this must be squarely with the Lange Government in not living up to its freely accepted obligations under the ANZUS alliance.

What began as little more than ideology has developed into a firm and determined policy - and despite Mr Lange's belief that he can remain part of a selectively non-nuclear ANZUS, it is his intransigence over the status of visiting nuclear-armed warships that has brought us to this pass.

The initial response by the United States to breaking off

all military and intelligence links must be accepted as a damaging over-reaction.

Since then, however, the US has acted with commendable restraint - with US Secretary of State, Mr George Shultz, maintaining that the framework of the alliance remained intact and that New Zealand would be welcomed back into the fold at any time.

Even as recently as late last month in talks with Mr Louie, United States Assistant Secretary of State for East Asia and the Pacific, Mr Paul Volckerwiltz, indicated America's readiness to leave the burden of communication on New Zealand.

But there is a growing impatience in Washington over the wider problems presented by what one senior official described as "a poor and little country with an army smaller than the New York police department".

Much of this impatience stems from the example and moral support New Zealand is proving to more important European allies who are reluctant to carry their share of the nuclear defence burden in the face of the growing political appeal of the peace movement to young voters.

As far as Australia is concerned, the Hawke Government has played its part well, with Defence Minister Kim Beazley acting swiftly to counter the American connection following on from its embargo

on the passage of intelligence to New Zealand and in the setting up of separate bilateral defence arrangements with Wellington.

Australia's position, however, has been seriously weakened by the MX affair, with some American officials privately expressing concern over the power of the Left and the reliability of Australia as a future ally if the New Zealand dispute should spread across the Tasman.

In New Zealand, Mr Louie continues to assert that ANZUS still exists and that New Zealand still enjoys the protection of the United States while moving closer to enshrining in law his policy of non-nuclear ship visits.

Sources in Mr Lange's office state that the legislation is in the final stages of preparation and scheduled to be passed before Christmas.

This will be the catalyst which will spell the end of ANZUS.

Last month in an international television hook-up interview with US Secretary of State for Defence, Mr Casper Weinberger, I pressed him on the question of America's reaction to this event.

He refused to be drawn on the details but there is little doubt that such an action would force America to make other arrangements and would lead to the formal dismantling of ANZUS.

Under the terms of the treaty, 12 months' notice is needed for any country to withdraw. The reality, however, is that despite every effort by Australia to buy time for New Zealand, ANZUS in its present form will cease to exist once that legislation is passed.

This is fully realised in New Zealand where a private sounding of a wide range of sources over the past few days has fully borne out the findings of the authoritative Heylen poll which shows 70 per cent support for ANZUS throughout the country.

The Government, however, counters these findings with claims of a matching level of support for its policies shown in a second poll which asked voters to choose between ANZUS or a non-nuclear New Zealand. More than 60 per cent voted against ANZUS.

There is also evidence of a widespread perverse pride in Mr Lange taking on America.

But despite this ambivalence in opinion polls, most New Zealanders I spoke to appreciate that with a population of three million the country simply does not have the resources to defend itself let alone take on the wider regional role put forward by Defence Minister Mr Frank O'Flynn.

At this stage there appears to be no hope of any last-minute compromise or change of policy - with America brushing aside as unrealistic the latest proposals put forward by New Zealand to decide for itself the weapon status of visiting warships.

New Zealand has only itself to blame. Australia has more than discharged the debt owed to the long-standing economic, cultural and military links between the two countries, while the tolerance of such a great power as America towards New Zealand has surprised many observers.

In short, everything that could be done to accommodate what many hoped would emerge as a temporary aberration has been done.

New Zealand, however, remains intransigent - pursuing its unrealistic policy of believing that it can choose the levels to which it will subscribe under the alliance. As a result it is inevitable that when Mr Lange plays out the final act in Parliament and New Zealand becomes a non-nuclear country by law, then ANZUS will be finished.

The full cost of this rash decision has yet to be counted. There is little doubt of Australia's growing importance to the United States as an ally, but Congress can be expected to strike a much more exacting bargain than it did in the 1950s, when it held the nuclear balance of power and the Pacific was an American lake.

Another more worrying factor which seems to be ignored by both Mr Lange and the peace movement in Australia is the alarming growth of the Soviet naval presence in the South Pacific.

The Soviet far eastern naval forces - the biggest of Russia's four fleets - and the back-up air and ground and missile forces has now grown well beyond the levels necessary to protect any legitimate interests Moscow might have in the region.

The size and deployment of these forces and the expansionist policies pursued by the Soviets within the region can only be accepted as bearing out the Soviet Union's declared aim of world domination.

To give away the one advantage we have in ANZUS in such times of uncertainty is little short of madness.

/13104

CSO: 4200/309

AUSTRALIA

EDITORIAL URGES HARD LINE TOWARD FRENCH SUSPECTS

Sydney THE AUSTRALIAN in English 6 Nov 85 p 10

[Editorial: "NZ Must Not Go Soft On Terrorism"]

[Text] A NUMBER of worrying questions surround the guilty pleas entered by the two French secret service officers in relation to the bombing of the Greenpeace vessel Rainbow Warrior in New Zealand.

The most obvious is: Was a deal done between the French and New Zealand governments to have the charges against them reduced from murder and conspiracy to commit arson to manslaughter and willful damage?

The New Zealand Prime Minister, Mr Lange, has denied any deal relating to the prosecution of the agents. But the New Zealand Government must try to avoid any reticence concerning its negotiations with France over compensation which could inflame suspicion.

Someone who places a bomb in a public place with the intention of sabotage - whether or not he or she intends to kill anyone else - is committing an act of terrorism.

All those who take part in such an act must either know that lives are at risk or have an unforgivably casual attitude in their regard for the lives of others.

Dominique Prieur and Alain Mafart, both commissioned officers in the French secret service, Direction Generale de la Securite Exterieur (DGSE), were in that position.

They may not have placed the impact mines that sank the Rainbow Warrior and killed Fernando Pereira, the Greenpeace photographer, but it is most unlikely that the operation could have taken place without their knowledge and physical assistance.

The public is entitled to ask just what difference there is between the actions of Prieur and Mafart and those of a group of Middle-East terrorists who plan and carry out the bombing of an airport lounge and kill innocent people.

When the French couple pleaded guilty to the manslaughter charge on Monday there was an immediate outcry that a "deal" had been done between the French and New Zealand governments. Newspaper reports in Europe have even spelled out alleged details of how the French are to let greater quantities of New Zealand produce into their country in exchange for the lesser charges.

The French Government has already agreed to pay New Zealand compensation for the Rainbow Warrior attack and for being caught with DGSE agents operating in the country, but that agreement should have nothing to do with the criminal charges connected with the bombing, the sentence imposed or where it is served.

But we must now wait until November 22 to see what sentence is

handed down by the New Zealand High Court and what action the New Zealand Government then takes. Lawyers in New Zealand say that, although the maximum sentence for manslaughter is life imprisonment, the way is open to give the French agents a "slap on the wrist" and deport them.

If acts of terrorism, whoever commits them, are treated lightly, political violence will become even more commonplace.

And one simple fact remains: the bombing of the Rainbow Warrior was an act of terrorism, and those responsible must not go unpunished.

/13104

CSO: 4200/309

AUSTRALIA

ENVOY SAYS TRADE CURB HINDERS PROGRESS WITH PRC

Sydney THE AUSTRALIAN in English 7 Nov 85 p 3

[Article by Carmel McCauley]

[Text]

AUSTRALIA needed to rid itself of trade restrictions with China before it could take advantage of that country's modernisation, the Ambassador-designate to China, Dr Ross Garnaut, said yesterday.

In an address to the Australia-China Business Co-operation Committee, he said China's expansion was "the main event" in the world economy of the past 25 years.

By giving China greater access to our markets and reducing artificial trade barriers, Australia could increase its share of China's trade and stimulate its own economy.

"China is a country that is industrialising rapidly and there is a great need for industrial raw materials. Australia happens to be a reliable, competitive supplier of those materials," he said.

"It is in our interests, as well as China's, to make sure there are as few as possible artificial impediments to trade."

Dr Garnaut, formerly senior adviser to the Prime Minister, Mr Hawke, said the structural changes occurring within the Australian and Chinese economies made them "particularly complementary."

Australia's opportunity to expand as China expanded was made easier by the excellent political relation: the two countries enjoyed

Contacts:

This sound relationship was central to overcoming problems that could arise in negotiations and "provided grounds for confidence in the stability of policies and arrangements", Dr Garnaut said.

"I don't think any of the other industrialised countries has the same web of contacts in China as Australia does, which is a commercial advantage, but not a discriminatory advantage," he said.

"The special relationship doesn't allow us to get away with shoddy performance or higher prices. Our relationship should be built on competitive strengths."

The growth strategies of China and Australia were threatened by weaknesses and growing policy distortions in the international economy.

"We have much to gain from co-operating with each other, and with other countries in our region, to maintain an open international trading system," he said.

"The recent increased international orientation and restoration of growth in Australia will make Australia a more significant economic partner for its neighbours in the Western Pacific region."

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CSO: 4200/309

AUSTRALIA

DAILY CRITICIZES NATIONAL WAGE SETTLEMENT

Sydney THE AUSTRALIAN in English 5 Nov 85 p 10

[Editorial: "Taking Soft Options Bad Signal To World"]

[Text] THE national wage case decision handed down by the Arbitration Commission contained a clear message for international investors and businessmen: the Australian community does not have the will to tackle the difficult economic problems now confronting it.

Following an unexpected 70 per cent devaluation, the Federal Government reluctantly acknowledged the need to discount wages to prevent the resultant increase in prices being permanently built into business costs.

But union opposition to that position forced the Government to come to a compromise with the ACTU. This involved deferring any discounting of wages for the inflationary effects of the devaluation until next April and limiting it to 2 per cent.

The Treasurer, Mr. Keating, may well have wanted immediate discounting, but he could not deliver. The Government, therefore, had to oppose business calls for discounting wages by 12 per cent in the latest national wage case.

The Government-ACTU deal and the Arbitration Commission's agreement to defer discounting until next year will mean that Australia's inflation rate will run at over 8 per cent for the next 12 months. This in turn will mean that Australia's inflation rate throughout 1986 will be significantly higher than what would have occurred if tough decisions had been taken by the

Government and the Arbitration Commission.

The Australian economy is now sitting on a knife-edge. The Government is aware the short-term effects of the devaluation will start to appear early next year and keep growth high in the lead up to the next election.

But over the next few months, now looking at conditions both in terms of dollars to new investment programs must be questioning whether the immediate increase in international competitiveness produced by the devaluation will only prove to be short-lived. They are asking themselves whether Australia can, in fact, survive when its inflation rate will stay at around double that of our principal trading partners for at least the next 12 months.

Even if inflation falls to the 5.6 per cent range by 1986, as the Treasurer has predicted, it will still be well above the levels now being recorded in the United States and Japan.

The economic cost of failing to agree to immediate discounting of wages will not prove to be negligible, as the Arbitration Commission argued yesterday. The commission was at pains in its decision to make it clear it had not endorsed the Government-ACTU wages deal and the 2 per cent limit on discounting. It also clearly signalled that it would take a tough stand on industrial disputes.

But its argument that a decision to discount wages now would amount to prejudging the various elements of the Government-ACTU deal is curious.

It will undoubtedly provide further ammunition for critics who argue that the overriding consideration for the commission when reaching decisions is its own standing in the eyes of the leading players. At present, these are the Hawke Government and the ACTU.

The Arbitration Commission must therefore agree to full discounting at the next national wage case. It should not accept the 2 per cent limit the

Government has agreed to if the final figure proves to be higher. The commission should also reject granting any pay rise from the forthcoming productivity case and take a firm stance in opposing the unions' present superannuation push.

Australia can no longer afford to endorse such options in the wages area, and the Arbitration Commission and the Government should remember that, in a world of floating exchange rates, the international money market will no longer allow it to.

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CSO: 4200/309

AUSTRALIA

HAWKE FACES CRISIS OVER RURAL INCOME SLIDE

Sydney THE AUSTRALIAN in English 6 Nov 85 pp 1, 2

[Article by Keith Gosman]

[Text]

THE Federal Government is confronting an electoral crisis in rural Australia with the release of figures yesterday predicting a 26 per cent drop in the value of rural production.

The Bureau of Agricultural Economics figures show the primary sector will have its worst year since the 1982-83 drought, and its second worst performance since 1965.

These figures will give little comfort to the Hawke Government, whose fate may rest on the outcome of nine marginal country seats.

They will also inflame the general political turmoil in the bush, which has affected all parties, including the farm sector's traditional ally, the National Party.

The BAE's bleak forecasts on rural production mean export income will also be affected at a time when Australia's trade performance is already placing pressure on the dollar.

The bureau predicts rural exports will remain steady in 1985-86, representing a fall in real terms of about 8 per cent.

The decline in rural export income will contribute to a deterioration in the current account deficit and the mounting debt service bill.

The current account deficit is set to approach \$11 billion for 1985-86, up from \$10 billion in 1984-85, a development that will add to downward pressure on the dollar.

The BAE report says the outlook for several rural commodities has deteriorated during the past three months. In August, the BAE predicted a 22 per cent drop in rural production.

The latest BAE forecasts for this financial year show the real net value of rural production - a key indicator of the rural sector's economic per-

formance - is expected to fall 26 per cent.

This follows a drop of 19 per cent in the value of production in 1984-85.

The gross value of production of all crops is expected to fall 6 per cent to \$600 million, with significant falls in the value of wheat and barley production.

The BAE says the outlook for the livestock sector is slightly more favourable and the prices value of production is expected to rise by 5 per cent to \$400 million.

But the value of rural exports is expected to remain constant in 1985-86 at \$10.5 billion compared with \$10.48 billion in 1984-85.

It says the index of prices received by farmers in 1985-86 is expected to be only 2 per cent higher than in the previous year, despite the beneficial effects of the depreciation of the Australian dollar.

Average prices paid by farmers are expected to be 7 per cent higher than average prices paid in 1984-85. Fuel price increases have been signifi-

cantly dampened by the 10-cent litre diesel rebate announced in the August Budget.

The BAE says export prices for United States wheat have fallen about 12 per cent since the beginning of the year and the downward pressure on world wheat prices appears likely to continue.

The drought war a major factor in the defeat of the Fraser government in the 1983 election and the Hawke Government's problem is that there is a potentially disastrous economic situation in the bush and no drought.

The Hawke Government holds a 16-seat majority and requires only a 23 per cent swing to be ousted at the next Federal election, which is expected to be held at the end of next year.

The nine marginal ALP rural seats are: Bankton in Queensland, which requires a 0.7 per cent swing to fall to the coalition; Ballarat, Victoria, 1.6 per cent; Eden-Monaro, NSW, 2.1 per cent; Bendigo, Victoria, 2.1 per cent; Melbourne, Victoria, 2.2 per cent; Hunter, NSW, 2.5 per cent; Burke, Victoria, 3 per cent; Herbert, Queensland, 3.1 per cent; Capricornia, Queensland, 4.3 per cent.

Many of these seats encompass major regional centres and communities whose dependence on the spin-offs from primary production.

The Federal Minister for Primary Industry, Mr. Ewing

said prices paid by farmers had risen only 6 per cent, compared with about 11 per cent during the Fraser years. Mr. Lerman said this indicated farmers were beginning to benefit from the policies.

The Deputy Leader of the National Party, Mr. Hunt, said the figures showed the farm sector was sitting on an "economic time bomb which is about to explode".

Mr. Hunt called on the Federal Government to abandon its proposed new taxes on farmers.

A spokesman for the National Farmers' Federation, the farm sector's peak representative body, conceded that the Federal Government could not control factors such as world commodity prices but said it could influence factors such as wages and tariffs.

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CSO: 4200/309

AUSTRALIA

KEATING TELLS INTERNATIONAL BUSINESSMEN ECONOMY ON TRACK

Sydney THE AUSTRALIAN in English 1 Nov 85 p 13

[Article by Janine Perretr in New York: "Economic Policy Is On track - Keating"]

[Text]

THE Federal Treasurer, Mr Keating, reassured business leaders in New York yesterday that Australian economic policy was right on track and the nation was in for a period of carefully sustained growth.

Mr Keating denied reports that his whirlwind trip to financial market capitals in New York and London was an attempt to talk up the dollar, but claimed it was important to keep overseas investors up-to-date with economic developments at home.

During questioning after his speech, Mr Keating said that the Government was willing to consider a review of withholding tax requirements for foreign shareholders.

The concern of the US investor was that the Government had stood by double taxation for resident shareholders, but had not offered foreign share holders any similar incentives.

"We are prepared to listen to what foreign shareholders say," he said. "We are prepared to consider that."

Mr Keating defended the Government's decision to implement a capital gains tax, following another question, but claimed it was the first opposition he had heard to the move during his time in the United States.

In his second appearance in less than six months, Mr Keating told a joint Asia Society, American-Australian

Association function that the fact he had returned after "such a relatively short time serves to indicate yet again the high value that we in Australia place on our relationship with the US."

He said he was unconcerned by recent reports in a US financial magazine which downgraded Australia's credit rating, saying that only Standard & Poor's and Moody's, which gave a triple A rating, were important.

Mr Keating's speech received a warm reception, though not the overwhelming enthusiasm in his earlier appearance before the group in April.

The strong comment at yesterday's speech, which came on relatively short notice, was seen as a reflection of the high esteem in which Mr Keating is held here.

When later questioned by reporters about his private meetings with bankers and business leaders while in New York, Mr Keating said he had encountered no reason to doubt the Australian economy.

"I am happy to say they're not very worried at all," he said. "In my talks with people, they said they are pleased with our progress."

He said many foreign business people still "clung at the opportunities" he had in the 1980s and were delighted with the Labor Government.

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CSO: 4200/309

AUSTRALIA

FRENCH FIRM PLANS \$3 BILLION LNG EXPORT PROJECT

Sydney THE AUSTRALIAN in English 6 Nov 85 p 18

[Article by Ian Howarth: "Elf Aquitaine Plans \$3bn NT Gas Project"]

[Text]

FRENCH petroleum giant, Elf Aquitaine, and its partners in Northern Territory offshore permit NTP 28 are considering plans to develop a \$3 billion liquefied natural gas (LNG) export project in Australia's far north.

Estimated costs for the Petrol and Tern structures, about \$200 million each, form the basis of the project.

The 100,000-tonne Petrol structure will be the largest offshore platform ever built in Australia. It will also be the largest "conventional" offshore platform ever built in the world.

The structure will be built in the 1990s. It will be built in the 1990s.

The structure will be built in the 1990s. It will be built in the 1990s.

Elf Aquitaine Petroleum Australia project manager, Mr Christian Albritton, said the work on the Petrol structure would be the first of a series of projects which would develop the gas reserves and production potential.

Even though the project is still in the early stages, it is already being considered as a potential export project.

However, the project is still in the early stages.

apparent wellhead on independent assessment of the production potential of the structure.

If all goes smoothly through the structure appraisal and feasibility study stage, field development would begin in about 1990.

Development would involve three platforms on the Petrol and Tern structures, a pipeline between Tern and the Petrol platform, and a second pipeline from Petrol to the coast and on to an LNG processing plant on Darwin Harbour.

In all, the project could total about \$2 billion.

The 100,000-tonne LNG carrier would have to be built in Australia to service the plant and markets for the 20 years beyond life of the project.

Korean engineering and construction firm Daewoo Engineering Co Ltd has been identified as a leading potential buyer of gas from the project.

Daewoo's chairman, Mr Yung Ki Chung, who is also heading the Korean Gas Corporation study into the future of gas, has obviously been taken in Korea, and the Tern and Petrol structures could be important possible sources of gas in the mid-1990s. He said the fields could supply up to two or three million tonnes annually.

A confidential leading paper by Elf Aquitaine on the prop-

osed wellhead on independent assessment of the production potential of the structure.

However, it is estimated that the structure would be built in the 1990s, and the Tern structure would be built in the 1990s.

South Korea is likely to require between two and three million tonnes of LNG a year, while Japan could need between one and three million tonnes.

The first development well on the Petrol structure will be aimed at getting an insight into possible production rates from the field as well as potential gas reserves.

For the purposes of the LNG project, Elf Aquitaine needs to be able to produce at least 200 million cubic feet of gas daily for 20 years.

This rate was considered conservative and could be easily increased if the gas reserves live up to expectations.

Under permit project thinking, the Tern structure would provide all the necessary gas for the first ten years of operation, after which Petrol would join the production stream.

After 10 years, Tern production would be scaled back and Petrol would produce alone in the 20th year.

Costs of development are estimated to be \$200 million for the field development and construction pipelines, \$100 million for the LNG plant and other \$200 million for the two LNG exports.

Production is planned to begin in 1991.

The main problem facing ERI Aquitaine and its partners in the early stages of the project involves the breakup of the two structures into separate leases.

The boundary of NTP 21 which contains the Petrel structure, and WA 18P which holds Tern divides the project in half.

On its own, neither structure would be commercially viable.

While ERI Aquitaine holds the controlling interest in NTP 21 and is operator, the

West Australian permit lapsed in 1982.

ERI Aquitaine has applied for interest in the WA permit and is awaiting a decision by the West Australian and Federal Governments.

An announcement is expected by the end of this month.

Partners in NTP 21 are: ERI Aquitaine, 41.5 per cent; Oilshore Oil 25 per cent; Alliance Oil planters, 15 per cent; Texas Gas, 10 per cent; Leveco and some Canadian interests, 8.5 per cent; Southern Cross Petroleum, 5 per

cent; and Gulf Resources, 5 per cent.

The Petrel structure was discovered in 1989 by Arco, then the operator and major partner. However, the original Petrel No. 1 discovery well blew out and was out of control for about 18 months before Petrel 1A was drilled to plug the discovery well.

Two more wells were drilled in 1992 and the following year to obtain reserve estimates and characteristic information. Arco pulled out of NTP 21 in the mid 1990s.

Tern was discovered in 1991 and followed with two more wells in 1991 and 1992.

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CSO: 4200/309

AUSTRALIA

INDUSTRY ECONOMIST CRITICIZES FRENCH WHEAT CARTEL PLAN

North Richmond THE LAND in English 31 Oct 85 p 7

[Article by Rod Metcalfe and Bruce Mills, Rural Press News Bureau: "A WF Economist Criticises French Wheat Cartel Plan"]

[Text] Mr Francois Guilleme, head of the French company of the National Commerce Federation, (Federation Nationale des Societes Exploitantes Agricoles), is reported to have proposed the cartel to control the price at which wheat is sold into high-income markets.

He stated that Japan and Russia are high priced markets capable of paying above world prices.

However, he said the group of four - Australia, Argentina, France, the United States - and Canada should still offer lower prices to poor nations.

The United States Secretary for Agriculture, Mr Felt, is reported to have rejected the plan as having a number of foreign governments although Mr Guilleme claims he has the support of the French President, Mr Francois Mitterrand, and French farmers.

Mr Guilleme is also reported to have said that if the US continues to use its Export Enhancement Program (EEP) in foreign markets, then France would begin to sell wheat into the Russian market.

Renech economist at the Australian Wheat Growers Federation, Mr

Ray Jeffery, said Australia should oppose the French proposal for a cartel of major grain exporters.

He said such a cartel had no logic of meaning and cited the GATT experience in oil and the 1981 United States-sponsored grain embargo against Russia. Both had been dismal failures, he said.

"There will always be someone ready to undercut the market."

His suggestion is put a counter-attack to the long-term problem of increased production in the EC and the US.

He said the proposal should be treated as a joke.

Mr Jeffery said the only solution to low world wheat prices was less production.

"World wheat production must come back by 50 million tonnes a year and for this to happen the EC and US will have to stop subsidising their farmers."

"All Australian farmers need is to be able to compete on an equal basis with other producers."

Mr Jeffery said the cartel idea was not new having been put forward in the early 1980s.

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AUSTRALIA

BRIEFS

AMBASSADOR TO JORDAN--The minister of foreign affairs, Mr Hayden, has announced the appointment of Mr (Terry Gargon) as Australia's ambassador to Jordan. He succeeds Mr Richard Gate who was appointed in 1982 as Australia's first ambassador resident in Amman. [Text] [Melbourne Overseas Service in English 0430 GMT 19 Nov 85 BK] /12232

CSO: 4200/297

BRUNEI

BRIEFS

NEW BNDP PRESIDENT APPOINTED--The Brunei National Democratic Party (BNDP) which was said to be facing a party leadership crisis revamped its leadership last night. The party president Awang Haji Abdul Latif bin Awang Abdul Hamid said today that an emergency meeting held at the BNDP headquarters last night unanimously appointed Pengiran Haji Mohamed Samli bin Pengiran Lahab as chairman, replacing Pengiran Anak Hasanuddin. [Text] [Kuala Lumpur BERITA HARIAN in Malay 12 Nov 85 p 4] /9599

CSO: 4213/29

FIJI

BRIEFS

SUGAR IMPORTS PLANNED--Suva Fiji will import about 11,000 tonnes of sugar from Malaysia this year. It will be consumed locally and will release locally made sugar needed to meet export commitments. This year's sugar output of about 350,000 tonnes will be about 100,000 tonnes below the amount originally estimated and is insufficient to meet all export commitments. The dropped output was caused by hurricane damage and a feeling of uncertainty among the 22,000 canegrowers caused by a bad slump in the world price of sugar. [Text] [Auckland THE NEW ZEALAND HERALD in English 9 Oct 85 p 4] /13104

CSO: 4200/314

INDONESIA

POSITIVE EFFECT OF PRESIDENTIAL INSTRUCTION No 4/1985 CITED

Jakarta ANTARA NEWS BULLETIN in English 16 Oct 85 p A 1

[Text] Jakarta, Oct. 15 (ANTARA)--The enforcement of Presidential Instruction No.4/1985 in the first six months has given a positive effect especially on the flow of goods at seaports that leads to a reduced cost of economy, according to general chairman of the Indonesian forwarders association (GAVEKSI) Buliga Siregar.

Expressing his view at a special dialog on the current condition following the launching of Presidential Instruction No.4/1985 in April 1985 here Tuesday, he depicted the improved condition by showing a comparison that formerly the release of goods from seaports usually took within two weeks and a month, at present it took only two days at the longest.

He saw the smoothened flow of goods from seaports as reflected from the reduced anchorage time of cargo-ships at seaports and the increased productivity in loading and unloading activities.

"The creation of an expedited flow of goods and a cut in the anchorage time, coupled with a punctuality in goods release from seaports will hopefully be able to push down the high-cost economy," he said, pointing out that the shipping expenses of import, export or inter-island goods had dropped by as high as 25 percent since the implementation of this Presidential Instruction.

Existing Barriers

Despite its success, the implementation of Presidential Instruction No.4/1985 has also been confronted with several existing barriers such as a delay in the delivery of original verifiable report documents (LKPs) by exporters overseas. The LKPs have so far been used as a basis in calculating import duties and the value added tax, thus as one of the requirements in releasing the goods from seaports.

"The government's policy to allow the substitute LKPs to release the goods is very helpful to avoid any damage of any volatile goods particularly drugs or medicines," said Buliga Siregar.

The delay sometimes occurred on the export-goods which received Export Certificate facility that further defer its liquidity in Indonesia.

INDONESIA

FRG DEFENSE MINISTER MEETS WITH HABIBIE

Jakarta ANTARA NEWS BULLETIN in English 15 Oct 85 pp A2, A3

[Text] Jakarta, Oct. 14 (ANTARA)--West German Defence and Security Minister Dr. Manfred Worner Monday paid a courtesy call on Minister of Research and Technology Habibie at his office here.

Habibie who is also head of the National Agency for Assessment and Application of Technology and high official of the Department of Defence and Security in charge of the development of strategic arms, told the press after the meeting that they discussed the possibility of a cooperation between Indonesia and the FRG in the defence industry.

Minister Habibie also said his guest also informed him of a recent decision of NATO which does not restrict information to ASEAN member countries on matters of defence.

The decision, Habibie said, will make it easier for Indonesia to take part in the transfer of technology in armaments.

The West German defence minister was also impressed by the achievements scored by Indonesia in its national development since 1968.

Dr. Worner also attached importance to the need of the two countries to further promote and expand the close relationships between them.

In the course of his five-day visit to Indonesia, the West German minister and party will have a look at PT PAL in Surabaya and the Nurtanio aircraft industry in Bandung.

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CSO: 4200/291

INDONESIA

MINISTER VOICES CONTINUED SUPPORT FOR UNESCO

Jakarta ANTARA NEWS BULLETIN in English 15 Oct 85 p A6

[Text] Sovia, October 14 (ANTARA)--Indonesia has reiterated its support to UNESCO as a viable instrument of the collective efforts to mitigate the suffering of peoples throughout the world from prejudice and injustice.

The support was stated by Minister of Education and Culture, Prof. Dr. Fuad Hassan during the policy debate of the 23d session of UNESCO's general conference here Friday (October 11).

The minister and concurrently Indonesian chief delegate to the meeting said that Indonesia was mostly in agreement with the draft programme and budget 1986-1987 presented by the UNESCO director general containing the UNESCO's activities in the fields of education, science, culture and communication in the coming biennium.

"Indonesia attaches great importance and fully supports the major programmes of UNESCO," he said, elaborating the successful implementation of the programmes in Indonesia.

The minister stressed the paramount importance of social science could play in responding to uncertainties in the future, because science and technology alone could not give the help in solving the crucial problems that would confront human being.

Therefore, the minister commended the role of UNESCO in the formation of both social science, teaching and research in Asia and Pacific region.

The initiative of UNESCO to examine the feasibility of creating a regional mechanism for social science, information and documentation in Asia and the Pacific region was fully supported by Indonesia, he stated.

As the UNESCO faces the budgetary constraints, Indonesia lauded the organisation's decision to cut off the number of its sub-programmes from 187 to 151, the minister said.

The measure, according to him, indicates the growing awareness on the part of UNESCO the need of concentration on essential programmes to achieve the organization's efficiency and effectiveness.

"Pax humanica"

Prof. Fuad Hassan in his remarks expressed the hope that UNESCO would continue to grow to serve the educational, scientific, cultural and also social development of mankind for a better world of tomorrow.

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CSO: 4200/291

INDONESIA

MP ON UN'S EFFECTIVENESS, VETO POWER

Jakarta ANTARA NEWS BULLETIN in English 14 Oct 85 pp A9, A10

[Text] Jakarta, Oct. 14 (ANTARA)--A great number of UN resolution cannot be implemented at present due to rejection by the countries concerned but in spite of that all member countries are still using it as a forum to influence world opinion in the fight for their interests, deputy chairman of committee I (defence/security and foreign affairs and information) of Parliament Subekti pointed out to ANTARA here Monday in a special interview in connection with the 40th anniversary of the United Nations on October 24.

Subekti said that UN decisions/resolutions in the early years after its foundation were then very effective and were implemented and abided by.

This was the case when Indonesia faced the Dutch in 1948. The UN influence was still very great so that the Roem-Van Royen agreement could be brought about, he said.

But at present after 40 years of existence, according to him many UN resolutions, such as on the withdrawal of Vietnamese troops from Kampuchea, the withdrawal of Israel from Arab occupied territory, on South Africa and the withdrawal of Soviet Union troops from Afghanistan, could not be worked out due to rejection of the countries concerned.

He continued to say the UN should have the power to settle conflicts between its members, but in reality the superpowers have the power.

According to him, the UN resolutions were also ineffective because the countries have forgotten how dreadful World War II was, so that they do not pay attention to the UN resolutions which in fact have peace in mind.

Veto Right No Longer Relevant

Subekti appraised the veto right of the five permanent members of the Security Council to be not relevant and undemocratic, seen from the present world situation.

At present, he said, more than half of the world population are inhabitants of the Non-Aligned countries. The situation is therefore different than in 1945 when the world body was established, he added.

He further said that the veto holders would not give up their rights, although they knew very well that the situation had changed.

It is exactly the veto which often hampered the UN in taking decisions to guarantee the stability of the world.

On the role of Indonesia in the world body, Subekti said that one could not deny that Indonesia was one of the countries which sponsored the Asian African Conference in Bandung, which was the embryo of the Non-Aligned movement.

The objective of the Asian African Conference was to achieve world peace, which at its 30th anniversary commemoration in Bandung last April was reaffirmed through the issuance of a resolution.

The resolution was aimed at reminding the world to the real desire-- world peace.

In this connection, there is no way out, except when the superpowers are really conscious of the importance of world peace and try to preserve world balance without engaging themselves in an armament race.

Subekti considered Indonesia's fight through contributing in the preservation of world peace had steadily become more difficult, because on the one hand had to fight for the purification of the Non-Aligned movement as well as fight at the UN forum, beside being engaged in implementing the national development programs.

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CSO: 4200/291

INDONESIA

JAKARTA ASKED TO ALLOW OPENING OF PLO OFFICE

Jakarta ANTARA NEWS BULLETIN in English 18 Oct 85 p A 1

[Text] Jakarta, Oct. 17 (ANTARA)--The visiting AIPU (Arab Inter-Parliamentary Union) delegation here Thursday expressed the wish that Indonesia would step up its supports for the Palestinian struggle by allowing the nation to establish a representative in the country.

In a meeting with the Indonesian Inter-Parliamentary Cooperation Board, led by R. Sukardi, the chief of the AIPU delegation, Abdurrahman Bachrawi said that AIPU appreciated Indonesia's support for the Palestinian struggle and hoped that Indonesia would step up its supports by allowing a PLO office here.

R. Sukardi flanked by Vice Chairman Hotma Harahap and Amin Iskandar and the heads of the House's Commission I, Zamroni and the House's Commission VI, Abdurachman, reaffirmed the Indonesian decision to support the Palestinian struggle saying that it was in line with the Constitution which rejects all kinds of colonialism.

He hoped the AIPU delegation would put forward the matter again when meeting with Foreign Affairs Minister Mochtar Kusumaatmadja Thursday afternoon.

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CSC: 4200/291

INDONESIA

NATIONAL DEFENSE INSTITUTE MEMBERS VISITING AUSTRALIA

Jakarta ANTARA NEWS BULLETIN in English 19 Oct 85 p A 1

[Text] Canberra, Oct. 19 (ANTARA)--None [as printed] 21 participants of the 18th regular course of Lemhanas (national Defence Institute of Indonesia) have been since October 15 on a five-day tour of Australia.

The main purpose of the visit to neighbouring Australia was to enhance relations and promote mutual understanding between Australia and Indonesia. The visit was also aimed at providing a wider view on Australia to members of the course comprising senior officials from various ministries and the Indonesian Armed Forces.

Besides the visit to Australia, other groups of the course are now visiting southern Philippines, Malaysia, Singapore, Thailand, Vietnam and Japan.

The group visiting Australia includes among others Brigadier General Sriyatno from the Lemhanas as the leader of the group as well as Drs. Nyoman Dekker SH from the Ministry of Education and Culture, Miss Latupapua from the Foreign Ministry and Drs. H.J. Djok Mentaya from the "Banjarmasin Pos" daily.

General Sriyatno explained that during the visit his group would discuss several subjects such as Australia's foreign policy as well as its economic development planning and defence policies.

Australian officials had pointed out that they would like to improve their relations with Indonesia and regretted that some media had discredit those relations.

The course team was also briefed by August Marpaung, Indonesian ambassador to Australia, and Navy Commander Iskandar Alamsyah Indonesian defence attache in Canberra.

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CSO: 4200/291

INDONESIA

PNG TEAM VISITS REPATRIATED BORDER CROSSERS

BK221516 Jakarta THE JAKARTA POST in English 20 Nov 85 p 1

[Text] Jayapura (Antara)--The Papua New Guinea (PNG) Government is satisfied with what it has learned about the living conditions of former Irian Jaya border crossers now living in the Arso Subdistrict of Jayapura, PNG officials have said here.

The officials, who are members of the PNG-Indonesia Border Committee, are currently in Jayapura for further discussions on the border issue with the Indonesian team. They said [word indistinct] during a meeting with the former border crossers at Workwoana Villaxt that the Indonesian Government has showed deep concern for its people by taking care of them following their return from the neighboring country.

The ex-border crossers at the village are provided with housing facilities and other living allowances.

"What we find here is very encouraging because Indonesia is providing the former border crossers with a good living environment," said Matalo Rabura, leader of the PNG team. The Irianese in the subdistrict do not live in groups but mingle with other settlers from outside Irian Jaya, he also noted.

"This fact is contrary to the rumors saying that the border crossers will only face poverty when they return to their places of origin," he added.

Rabura, who is first assistant to the PNG secretary general for foreign affairs, said that the team would submit a report to the PNG government about the real situation to encourage the other border crossers still living in PNG to voluntarily return to their villages, or with the help of the Indonesia-PNG governments.

The eight-member PNG team includes first secretary of the PNG Embassy in Jakarta, Joseph Asaigno and Vanimo Police Chief Joel Kean.

Chief of the Indonesian Border Committee Bas Youwe, who is also regent of Jayapura, told reporters here that the visit of the PNG officials to the border-crossers resettlement center was aimed at making a close observation of the living conditions in the village.

On Tuesday, the team was scheduled to have a meeting with Irian Jaya officials to discuss the development of the border areas.

The first group of 99 border crossers who returned to Irian Jaya in December last year have received 100 houses from the government and a 6-month allowance while waiting for their first harvest. They are also provided with medical facilities and social guidance from the Social Affairs Ministry.

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CSO: 4200/299

INDONESIA

ISLAMIC DEVELOPMENT BANK AID FOR TRANSMIGRATION CONSIDERED

Jakarta ANTARA NEWS BULLETIN in English 14 Oct 85 p A2

[Text] Jakarta, Oct. 13 (ANTARA)--The Islamic Development Bank (IDB) is currently still exploring possibility of granting direct aid for the implementation of transmigration program in Indonesia.

Drs. Sudjino, an expert staff seconded to the Transmigration Minister, told newsmen after attending a meeting between Transmigration Minister Martono and the visiting President IDB, Ahmed Mohamed Ali, here on Saturday that if the direct aid could be realized soon, so the aid would be used for the improvement of socio-economic life of the resettlers who were now living in various resettlement centres outside Java.

The IDB aid for the transmigration program in Indonesia had so far been channeled through the Asian Development Bank (ADB).

According to Sudjino, the IDB aid for the implementation of transmigration program in Indonesia totalled about US\$10 millions, which had been granted in the form of soft loan since the start of the ADB aid package for the development of transmigration project in Southeast Sulawesi in 1981.

Sudjino also said that during the meeting, Minister Martono briefed his guest on the current implementation of transmigration program in the country. Even on the occasion, the minister also explained on a resettlement plan for the current Fourth Five-Year National Development Plan (Repelita IV), including its budget.

The IDB president arrived here last Thursday for a four-day visit to Indonesia after attending an annual meeting of the World Bank and the International Monetary Fund (IMF) in Seoul, South Korea, recently.

After concluding his Indonesian visit the IDB chief executive will continue his trip to Malaysia and other member countries of IDB before returning to the IDB headquarters in Jedda, Saudi Arabia.

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CSO: 4200/291

INDONESIA

GOVERNOR ON IRIAN JAYA'S ECONOMIC DEVELOPMENT

Jakarta ANTARA NEWS BULLETIN in English 19 Oct 85 p A3

[Text]Jayapura, Oct. 19 (ANTARA)--The realization of development programs in Irian Jaya, particularly in the economic sector, has continued to increase from Pelita I to the current Pelita IV (five-year development plan), Irian Jaya Governor Izaak Hindom has said.

Speaking at a conference of churches in Biak, Irian Jaya, Friday, the governor stated further that the result of development in the province could be seen, for instance, in the agricultural sector.

In this connection, he pointed out that the development of the agricultural sector in the province reached about 556% from Pelita II (1974/75-1978/79) to Pelita III (1979/80-1983/84).

Referring to the sub-sector of animal husbandry, the governor disclosed that the cow and sheep population in the province rose by an average of 6.4% a year.

Concerning the plantation sub-sector, Izaak Hindom said plantations found in Irian Jaya expanded from 16,532 ha at the end of Pelita II to 19,849 ha at the end of Pelita III (1983/84).

He disclosed that in accordance with the instruction of President Soeharto on the expansion of exports the Irian Jaya administration had managed the opening of plantations under the PIR (nucleus estate for smallholders) scheme.

Rubber and oil palm plantations have been opened under the PIR scheme in Prafi, Manokwari, Arso and Jayapura, the governor said, adding that the planting of other export commodities, such as nutmeg, cacao, coffee, clove, cashewnut, kapok and sugarcane, was also being intensified in the province.

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CSO: 4200/291

INDONESIA

ROK OFFICIAL ON INCREASING TRADE

Jakarta ANTARA NEWS BULLETIN in English 15 Oct 85 p A9

[Text] Jakarta, October 15 (ANTARA)--South Korea will become trade partner of Indonesia in the future if its import of LNG (liquefied natural gas) from Indonesia worth US\$600 million a year can be realized in 1987.

This was disclosed by South Korean Trade Attache to Indonesia Chul-Soon Chun in a press conference here, Monday.

Chun said that South Korea also plans to increase its coal and crude imports from Indonesia.

He was convinced that trade relations between the two countries would be better in the future in view of their location in Asia and the Pacific region with better transportation and communication facilities.

He believed that the trade balance between the two countries, estimated at US\$900 million, will go up to around US\$2.0 billion within the next two to three years.

He said that his country has become the fourth biggest trade partner of Indonesia among 100 countries. Indonesia's export value to South Korea last year was noted at being US\$653 million.

Indonesia's main exports to South Korea in 1984 were oil products worth US\$516 million and US\$137 million in the form of non-oil commodities.

The Indonesia's non-oil commodities include timber, plywood, tin, rubber, coffee, rattan and other products the amount of which are expected to increase.

On the other hand, Indonesia imported industrial products from South Korea worth US\$254 million in the form of steel, ships, plastic materials, machineries and electronic goods.

Last year South Korea had a deficit of US\$400 million in its trade with Indonesia, or about 30 per cent of the total deficit of that country's trade deals.

Around 19 South Korean firms have already invested in forest processing industries in Indonesia.

A cooperation agreement on oil exploration in Madura was also concluded as well as coal mining exploration in Pasir, East Kalimantan and oil explorations in Adang, Kalimantan and Nauka, Irian Jaya.

Bilateral trade cooperation between Indonesia and South Korea was begun in 1964 by the opening of the Korean Trade Promotion Cooperation in Jakarta.

A full diplomatic tie between the two countries was opened in 1973.

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CSO: 4200/291

INDONESIA

FRANCE TO CONTINUE TO INCREASE INVESTMENT IN OIL SECTOR

Jakarta ANTARA NEWS BULLETIN in English 14 Oct 85 p A7

[Text] Jakarta, October 14 (ANTARA)--France, the second biggest investor in oil and gas industries in Indonesia after the United States, will continue to expand its investment on the area, French Ambassador to Indonesia Jan M. Solier has started.

Speaking at the opening of a symposium on French oil and gas techniques at Hotel Sari Pacific here Monday, he pointed out that French oil and gas companies every year expand their investments in Indonesia by more than US\$ seven million.

Total, one of the two French oil giants operating in Indonesia yields more than one million barrel per day from Handil oil field in East Kalimantan.

In the framework of highlighting the centenary of the Indonesian petroleum industry, a series of seminars on oil are taking place here on October 14-15 with speakers from French oil experts.

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CSO: 4200/291

INDONESIA

JAKARTA COURT SENTENCES CLERGYMAN TO 20 YEARS

BK221418 Jakarta THE JAKARTA POST in English 19 Nov 85 p 1

[Text] Jakarta (JP)--The North Jakarta District Court sentenced a 50-year-old Moslem preacher to 20 years in jail for subversion on Monday.

The panel of judges, chaired by Mrs. Nielma Salim, read the 173-page verdict, convicting Salim Qadar bin Sulaeman on charges of undermining the government and the state ideology of Pancasila by giving seditious sermons on various occasions in Jakarta from May to 12 September, the day when the Tanjung Priok riots broke out.

"The defendant's inflammatory sermons did stir up Moslems to denounce the state ideology of Pancasila," the judges said.

The defendant's last sermon, according to the judges, was given to a Moslem congregation at the Al Husna Mosque in Tanjung Priok, on the evening of 12 September, preceding an attempted mob raid on the North Jakarta police precinct and looting of Chinese owned shops. The defendant, together with Amir Biki, who was gunned down during the riot, led the mob of angry people following "hot" anti-government sermons given by the defendant, Yayan Hendrayana and Tonny Ardie, according to the verdict.

The mob followed Biki to the police precinct to demand the release of four persons detained for attacking a police officer a few days earlier while another group, led by the defendant, ransacked local Chinese shops.

Salim Qadar is one of seven Moslem preachers who are now standing trial on similar charges. Tonny Ardie, who is waiting for a sentence request, and Yayan Hendrayana, who was sentenced to 20 years in jail, and is appealing, have been tied at the North Jakarta District Court. A.M. Fatwa and Abdul Qadir Djaelani are being tried at the Central Jakarta District Court, while two others, Mawardi Noer and A.R. Yuningsih are standing trial at the East Jakarta District Court.

The judges said that one reason for the harsh sentence was that the defendant showed no regret during the trials.

"I will appeal," said the defendant when the presiding judge finished reading the verdict.

Prosecutor Gatot Hendrarto, who had requested a life sentence, asked for a week's time to study the verdict. "I will probably appeal," he told the JAKARTA POST.

LAOS

SEKONG-QUANG NAM DANANG TWIN RELATIONS, BORDER VILLAGES NOTED

Vientiane PASASON in Lao 14 Sep 85 p 3

[Article: "Sekong-Quang Nam Danang, Twin Provinces"]

[Text] One of the historic events that confirm the deep and special relations between Laos and Vietnam that have been steadily strengthening occurred on 5 November 1984, the day when a delegation led by the party committee secretaries of both provinces signed a comprehensive mutual assistance agreement.

To implement the agreement, in late 1984 Quang Nam-Danang sent Laos teams of experts on economics, construction, electricity, public health, irrigation, propaganda, forestry, and security. The twin provinces also constructed the border villages of both provinces into model villages and strengthened them in terms of security.

A month later Sekong Province started to carry out the plan of cooperation and tried to obtain assistance from the experts in its twin provinces. The experts put all their efforts into finishing various survey and design plans prior to May 1985. The wiring of a 380-volt power line and of a radio network was completed as planned, which will give light and ensure that the voice of the administrative committee can be heard in densely populated areas.

The team of experts on irrigation surveying and design has completed the basic design of a small-scale irrigation system which will be able to drain water into approximately 100 hectares of ricefields in the Lanam District area, which is an outstanding rice-growing district in Sekong Province. The team of public health experts has adopted a plan to suppress malaria. Route 16, which connects Attapeu and Sekong Province, was repaired by the twin-province experts, who gave us special assistance. The forest in the ... District area was protected. There is also a long-term plan for tree-cutting, for example, the plan for preserving the forest, growing trees to become a forest, etc.

All of these tasks are important for the extensive strengthening of the economy of Sekong Province, and they also confirm the fruits of mutual assistance to the economies of both provinces. These twin provinces are now adopting a plan for constructing a communications route to facilitate the exchange of their goods. For example, Sekong Province will supply Quang

Nam-Danang with its forest products, and Quang Nam-Danang will supply Sekong with household items and agricultural tools.

Although they have been facing many difficulties, these twin provinces have always decided to stand resolutely side by side sharing weal and woe so that together they can construct the economic base for each province and take part in implementing and completing the plan for economic cooperation with determination so as to strengthen and promote the special relations, the great friendship and the all-round cooperation between the two nations of Laos and Vietnam to grow steadily.

9884/12947

CSO: 4206/6

LAOS

'TALK' SCORES WORLD ANTI-COMMUNIST LEAGUE'S DALLAS CONFERENCE

Vientiane PASASON in Lao 18 Sep 85 p 3

['Talk' Column by Santiphap: "An Amusing Show of 'Hopeless People'"]

[Text] A few days ago in Dallas (in the state of Texas in the United States), because they are hungry and have no place to go, those who call themselves "anti-Communists" from eight countries put on an amusing show. They held a meeting in order to use it to ask for sympathy and a little money from Washington and Western nations which used to help them to relieve their hunger day by day.

The anti-Communists who put on the show were reactionary exiles from Nicaragua, Angola, Mozambique, Ethiopia, Afghanistan, Laos, Vietnam and Cambodia. There were also representatives of this same type of people from other countries. Their names sounded fantastic, but while the names of their organizations were as big as elephants their bodies were as small as cats. They are minority groups of provocateurs who have been punished by the people of these nations. Not many months ago the same type of meeting of provocateurs was held in the dense jungle in the south of Angola near the border of Namibia. This meeting, like the previous one, was to discuss ways to provoke resistance against constructing a new way of life which was guided, controlled and planned by the CIA, for example, the undeclared war against the people of Nicaragua, Angola, Afghanistan and other countries. Most amusing of all were the faces of the Lao, Vietnamese and Cambodian reactionary exiles who jumped up and down and made themselves known as those who wanted to turn back the historic wheels of the nations in Indochina. However, this is only the dream of people who have lived beyond their time. Since the day when Laos, Vietnam and Cambodia were liberated, revolutionary power has been improved and strengthened. On the other hand, these reactionaries cannot even find land of only the size of the palm of a hand to live on. They can only beg here and there for a living each day. Even so, they still boast about many things. In any country these kinds of people make their living by creating bad incidents guided by the CIA in exchange or by killing people for a reward, which is most shameful. Although the meeting was condemned by the peace- and justice-loving people of the world, at the same time there are still supporters such as, first of all, the head of the White House. This once more confirms to us that the United States not only has not stopped its instigation against other nations but has also used politics for provocation. It has used counter-revolutionaries from different countries in its own dark and savage schemes, and it has created tensions all over the world.

The conference in Dallas was a meeting of meaningless people, and it makes people hate them even more. This amusing play only serves to indicate that they are squirming as a result of the punishment of the people who are the owners of the countries mentioned. If they continue to carry out Washington's plan, sooner or later they will be properly punished by the peace-loving nations.

9884/12947

CSO: 4206/6

LAOS

SPECIFICATIONS OF SRV-AIDED PASSENGER BOAT NOTED

Vientiane PASASON in Lao 14 Sep 85 p 2

[Article by Kongmali: "The First Mekong River Boat"]

[Text] A new passenger boat is proudly anchored at Km 4 Port in Vientiane Capital on the Mekong River. That breezy day amid the happy talk and laughter of the people concerning the victory of the workers of Laos and Vietnam who together built the boat, there was unsurpassed admiration, applause and smiling when Mr Vanthong, Lao vice minister of transportation and posts, and Mr Tran Van Lu, Vietnamese vice minister of transportation and posts, gave speeches and signed a memorandum to hand over and accept the boat on 7 September 1985. Those participating in this event were Mr Phao Bounnaphon of the party Central Committee and Lao minister of transportation and posts; Mr Vu Tien, acting charge d'affaires of the SRV in Laos who represented the economic envoy; vice ministers; department chiefs of nearby companies; cadres and workers in the Water Transport Company; and Vietnamese workers and experts.

The new passenger boat has 220 seats. It is the first boat that our government and our people have as our nation's valuable property. It is a result of the sweat, solidarity and cooperation in construction between the Water Transport Company of the Lao Ministry of Transportation and Posts and the SRV ("Tam Bac") Ship Construction Company that once helped Laos build many transport boats. This 220-passenger boat was designed for the Mekong River. Almost the whole boat is made of steel. Its hull is somewhat round, and its bow is A-shaped. It has three levels. The outside of the hull is made of steel sheets and the inner wall is plywood. There are many portholes and doors to ensure ventilation and to make it easy for passengers to get on and off. Inside the boat there are three rooms for passengers with 20 beds, 170 passenger seats and 30 regular seats. There are also ceiling fans, a wired radio network, cafeteria, rest rooms and a medical room where there are medical personnel on the boat to take care of the passengers. The boat is 41.50 meters long, 6.20 meters wide and 7.10 meters high. The height of the hull of the boat is 2.70 meters. The boat weighs approximately 98 tons when empty. There are two diesel engines of 290 horsepower each.

Comrade Somvang Dengchampa, chief of the board of directors of the Water Transport Company, told us that construction on this boat began on 23 June 1984 and was completed on 31 August 1985, when it was put through distance

and speed tests. During the test the boat was found to run steadily and well in the water. Its speed downriver was 33 km per hour and upriver 13 km per hour, or 23 km per hour on the average.

The first passenger boat was named "Mekong River Boat 01." It is a result of cooperation and is a symbol of the fine friendship between Laos and Vietnam. It is a result of the solidarity and assistance between the Lao and Vietnamese workers for communications service for the people, and it is also a great achievement for the coming 10th anniversary of National Day on 2 December.

9884/12947

CSO: 4206/6

LAOS

MEKONG ORGANIZATION-AIDED SEED PROJECT DESCRIBED

Vientiane PASASON in Lao 17 Sep 85 p 2

[Article by Sengdeun Heungsavan: "The Tha Sano Seed Production Center"]

[Excerpt] Although 1985 is the last year of the First 5-year Plan of the government, many of the tasks that the party Central Committee specified for our nation's transformation and socialist construction have satisfactorily stood out.

In particular, the seed production center in Ban Tha Sano, Savannakhet Province, is one of the agricultural projects which sprouted and was constructed before our eyes.

The center is approximately 10 km north of downtown Savannakhet and is located in Tha Sano Canton, Khanthabouli District. Because of its location, it is called the "Tha Sano Seed Production Center."

Comrade Latsanivong of the agriculture, irrigation and agricultural co-op section in Savannakhet Province, who is responsible for the project, told me that the project was started early in 1985 with assistance from the Mekong River Organization. Construction is now close to completion, especially the plant building, office and garage. They are expected to run production tests in September 1985.

The purpose of the Tha Sano Seed Production Center is to produce various second-generation seeds: ample, rice and corn seeds, soybeans, monk beans and cotton seeds.

They will grow the first crop from these seeds in the area of the production center which is now growing "Hat Dok Keo 4" corn seeds on a 1.5-hectare experimental plot. Later they will grow monk beans and soybeans to supply the above-mentioned factory. Besides planting in their own production area they will also contact various agricultural co-ops to grow for them. Then they will put the seeds they produce into the factory so that the factory will improve and screen them for good seedlings by maintaining the proper temperature and moisture. After that they will treat them with a germicide and insecticide and will pack them for distribution to the people, farmers and different agricultural co-ops.

9884/12947
CSO: 4206/6

LAOS

VIENTIANE PROVINCIAL BANKING FUNCTIONS, DIFFICULTIES

Vientiane PASASON in Lao 17 Sep 85 p 2

[Article by Bouathong Saignalat: "A New Phase for the Vientiane Provincial Bank"]

[Excerpt] The Vientiane Provincial Bank was set up on 30 June 1983 in Vientiane Capital. However, they encountered many difficulties because of the demands of national construction and the use of circulating foreign currency. The Vientiane provincial bank branch later moved from Vientiane Capital to Phon Hong, Vientiane Province, on 6 May 1984. It has a total of 42 cadres, of which 23 are men. There are seven sections consisting of high-level, mid-level and basic-level cadres and old and new government employees. The 1984 achievement scored by the cadres was as follows: they disbursed cash to offices, organizations and economic areas 5,690 times; inspected treasuries in offices, organizations and other economic areas 36 times; and promoted the 1985 cash plan 38 times. Also, certain specialized tasks, for example, income from enterprise offices and others, expanded fairly well in comparison with that for 1983, and for expenses they made effective use of the foreign currency they saved in national economic construction, for example, in national defense and security, agricultural co-ops and various construction projects when compared with that for 1983. There was also mobilization for some work sections along with the people of ethnic groups in their own districts to understand clearly the advantages of deposit savings and of the savings lottery, where a total of 1,078,000 kip was deposited.

9884/12947
CSO: 4206/6

LAOS

BRIEFS

KAYSONE PHOMVIHAN BOOK PUBLISHED--Hanoi VNA 20 November--A book entitled "30 Years of the Lao People's Revolutionary Party" written by Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party [word indistinct] Central Committee has been published in Vietnam by the "Su That" (truth) publishing house on the occasion of the 10th National Day of Laos (2 November). The book contains the full speech delivered by the Lao party leader at the Vientiane meeting in celebration of the 30th anniversary of the founding of the LPRP (22 March 1955-1985). It sums up the Lao party's diversified activities and great achievements over the past 3 decades, especially the brilliant successes in Laos' national construction and defence in the past 10 years. The book also brings out Laos's internal and external policies and tasks at present. [Text] [Hanoi VNA in English 1517 GMT 20 Nov 85 CW] /12232

KAYSONE VISITS VIENTIANE FARM--Vientiane, 23 November (OANA-KPL)--Kaysone Phomvihan, general secretary of the LPRP CC, chairman of the Council of Ministers, on 22 November visited the Dansang collective farm, one of the best collective farms in Saithani District, Vientiane. He heard a report made by Khamkeuk Vongphinit, director of the farm on the general situation and development of the farm, and visited rice-harvesters, shops and handicraft workshops. During his talk with the farmers, Kaysone Phomvihan asked them to try their best to contribute to the prosperity of the farm by making full use of the local economic potentials to increase production and raising the quality of their products, especially the products made for export. He also spoke of the enemy's dark schemes of sabotage against the Lao PDR. The general secretary was accompanied on his visit to the farm by Khambou Sounisai, member of the party CC, mayor of Vientiane, and other high ranking officials. [Text] [Vientiane KPL in English 0854 GMT 23 Nov 85 BK] /12232

SOUPHANOUVONG RECEIVES PLO ENVOY--Vientiane, 23 November (OANA-KPL)--President Souphanouvong received at the Presidential Palace here on 22 November Dr Farouk M. Dawass, representative of the PLO to Laos, who called on him to bid farewell after completing his term of office in Laos. During the frank and cordial reception, the Lao president congratulated the PLO's representative on having successfully fulfilled his mission, thereby contributing to enhancing the relations of solidarity between the Lao and Palestinian peoples. He wished Dr F.M. Dawass success in his new assignment. Earlier, on 19 November, Dr F.M. Dawass called on Khambou Sounisai, member of the Lao People's Revolutionary Party CC and mayor of Vientiane, he briefed the Vientiane mayor on the Middle-East

situation and voiced the Palestinian people's determination to carry on their just fight against the Zionist Israeli aggressors. [Text] [Vientiane KPL in English 0857 GMT 23 Nov 85 BK] /12232

INDUSTRIAL COOPERATION AGREEMENT--Vientiane, 22 November [OANA-KPL]--An agreement on industrial cooperation between Laos and Vietnam for 1986 was signed here on 20 November by Souliving Dalavong, Lao deputy-minister of industry, handicraft and forestry, and Dang Gia, Vietnamese deputy-minister of food industry. Under this agreement, Vietnam will supply Laos with technology and equipment in producing beer, soft drinks, cigarettes, fishsauce and sugar. The signing ceremony was witnessed by Maisouk Saisompheng, member of the LPRP CC, minister of industry, handicraft and forestry, and Dam Xuan Dung, Vietnamese economic and cultural representative in Laos. [Text] [Vientiane KPL in English 0915 GMT 22 Nov 85 BK] /12232

SRV NATIONALITIES GROUP--Vientiane, 22 November (KPL)--Phoumi Vongvichit, Political Bureau member of the LPRP CC and vice-chairman of the Council of Ministers, received here yesterday Thoang Truong Minh, member of the Communist Party of Vietnam CC, head of its Nationalities Commission, and president of the Vietnam-Laos Friendship Association on a current official visit here. During the warm and cordial talk, Phoumi Vongvichit welcomed the delegation's visit to Laos saying it would encourage the Lao people to step up the implementation of the party and state plan. The same day, a cooperation agreement for 1986-90 was signed between the Lao and Vietnamese Nationalities Commissions. Signatories to the agreement were Nhiavu Lobaliayao, member of the LPRP CC and president of the Central Nationalities Committee of the Lao PDR, and Hoang Truong Minh. The Vietnamese delegation left here yesterday afternoon. [Text] [Vientiane KPL in English 0904 GMT 22 Nov 85 BK] /12232

HUNGARIAN TRADE GROUP--Vientiane, 22 November (KPL)--Sali Vongkhamsao, vice-chairman of the Council of Ministers, chairman of the State Planning Committee, on 20 November received a trade delegation of the Hungarian People's Republic, headed by its [Foreign Trade] Deputy-Minister Otto Herkner, on a current visit here from 18 November. They discussed trade cooperation between the two countries in the future. The talk proceeded in a warm atmosphere of friendship. The same day, a trade agreement was signed between Laos and Hungary by Sompadit Volasane, Lao deputy-minister of trade, and Otto Herkner. Under this agreement, the Hungarian People's Republic will give Laos 100 million forints for scientific and technical development and cooperation and lend it 5 million rubles. Hungarian Ambassador to Laos Laszlo Rosta was also present at the reception and the signing ceremony. [Text] [Vientiane KPL in English 0907 GMT 22 Nov 85 BK] /12232

SOVIET SOLIDARITY WEEK EXHIBITION--Vientiane, 24 November (KPL)--The Lao-Soviet Friendship Association opened here on 20 November an exhibition of photos and ornaments from the Kirgizia Soviet Socialist Republic in connection with the current Lao-Soviet solidarity week. Present at the opening ceremony were Mrs Khamsouk Vongvichit, vice-president of the Lao-Soviet Friendship Association, and K.A. Orozaliev, member of the Supreme Soviet, minister of transport and road building of the Kirgizia Soviet Socialist Republic, on a current visit here. [Text] [Vientiane KPL in English 0905 GMT 24 Nov 85 BK] /12232

WOMEN'S DELEGATION TO CSSR--Vientiane, 22 November (KPL)--A delegation of the Lao Women's Union [LWU] led by Mrs Phetsamon Lasasimma, member of the LPRP CC, vice-president of the LWU, left here yesterday for Czechoslovakia to attend a conference of the Women's International Democratic Federation and the celebration of its 40th founding anniversary to be held in Prague from 27 November to 3 December 1985. The delegation was farewelled at the airport by Mrs. Boungha Phitsavat, secretary of the LWU CC and other officials. Bohumil Mazanek, charge d'affaires A.I. of the Czechoslovak Embassy here, was also present at the send-off. [Text] [Vientiane KPL in English 0910 GMT 22 Nov 85 BK] /12232

SRV SHIPBUILDING AID--Vientiane, 22 November (OANA-KPL)--A new 100-ton wooden ship was launched here on 14 November. This is the 10th ship built with Vietnamese assistance in Laos, and the shipbuilding plan for 1985 was completed 33 days ahead of time. The first boat, a 50-ton wooden one, was launched at Thanaleng River port in Vientiane in early 1981. During the past five years, Vietnam has helped Laos build 10 wooden cargo or passenger boats in the range of 50 to 150 tons, including a 100-ton iron-hulled ship for the transport of petroleum and a 220-seat iron-hulled ship. Vietnam has helped Laos build two shipyards in Khammouane and Champassak Provinces, and will cooperate with Laos in building two other shipyards in Luang Prabang and Savannakhet Province along the Mekong River. Next year, Vietnam will help Laos build a 220-seat passenger boat and 3, 21-ton cargo ships. [Text] [Vientiane KPL in English 0916 GMT 22 Nov 85 BK] /12232

THANKS FROM IRAN--Vientiane, 24 November (OANA-KPL)--President Souphanouvong has received a telegramme of thanks from Seyyed 'Ali Khamene'i, president of the Islamic Republic of Iran. The telegramme says: "I would like to thank you for your telegramme of congratulations on the occasion of my re-election as president of the Islamic Republic of Iran. I hope that during my new term of office I could do all that is necessary for the development and blossoming of our bilateral relations. "I wish you success and the people of Laos happiness and prosperity." [Text] [Vientiane KPL in English 0903 GMT 24 Nov 85 BK] /12232

ESTABLISHMENT OF JUSTICE SYSTEM--On the afternoon of 14 September a ceremony was held in the Ministry of Justice to close the second successful 3-month training course on law and justice. There were 128 students from various provinces, ministries and departments who attended. Honored participants in the ceremony were Mr Khambou Sounisai of the party Central Committee, chairman of the Vientiane Capital Administrative Committee; Mr Kou Souvannamethi, justice minister; and many cadres, teachers and professors. The purpose of the training focused primarily on the basic theory of government and socialist law, the principles of organizing and the actual practice of improving the quality of justice work and of converting to the new socialist system and regulations and helping everyone to understand every concept in every way. They should be able to recognize practical actions to assure the party's policy, to understand and differentiate right from wrong, to improve their views and positions and to raise a greater awareness for adhering to the law and also to raise the level of knowledge in theory and techniques for organizing and improving efficiency and organizing the system of justice, the courts and the public prosecutor in the future so they will continue to be strengthened. [Text] [Vientiane PASASON in Lao 18 Sep 85 p 1] 9884/12947

SRV VACCINATION TEAM--Recently the Houa Phan provincial agriculture, irrigation and agricultural co-op section sent its veterinary cadres along with Vietnamese experts from Thanh Hoa Province to provide vaccinations against animal diseases in Xieng Kho and Sam Tai Districts according to the plan for assistance between the two provinces. They were able to vaccinate over 300 buffalos, and they gave out 15 kinds of medicine for preventing animal diseases. They also collected statistics on animal deaths as indicated by the plenum on animal diseases, and they gave advice on the use of medicines for treating animals. The purpose was to increase steadily the number of livestock of the people of ethnic groups. [Text] [Vientiane PASASON in Lao 13 Sep 85 p 1] 9884/12947

MALAYSIA

PARTIES WARNED NOT TO EXPLOIT BALING INCIDENT

BK231335 Kuala Lumpur Domestic Service in Malay 1230 GMT 23 Nov 85

[Text] Acting Prime Minister Datuk Musa Hitam has reminded the people not to challenge or test the supremacy of state laws. The people should not also belittle the authority of security officers in charge of enforcing state regulations because these laws and regulations are enforced for the interests of the society itself. Datuk Musa said that it was feared that the people would live in anarchy and not in a democratic society if they individually and collectively disobeyed the state laws and regulations. He was speaking in a meeting with inhabitants of (Padang Merdu), Segamat, Johor. Last Tuesday's Baling incident must remind the people to obey state laws and regulations, he said.

The acting prime minister went on to warn certain circles, particularly political parties not to take the opportunity to slander and accuse the government of being responsible for the Baling incident. He said that he will take seriously and check any comments made on the bloody incident in Kampong Memali Siong.

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CSO: 4213/34

MALAYSIA

VOMD REPORTS PAS DIALOGUE WITH CHINESE, TAMILS

BK150732 (Clandestine) Voice of Malayan Democracy in Malay 1215 GMT 14 Nov 85

["New report": "Pan Malaysian Islamic Party Holds Dialogue Sessions With Chinese and Tamil Communities"]

[Text] This year the Pan Malaysian Islamic Party [PAS] held numerous dialogue sessions to introduce the party's struggles and objectives to the Chinese and Tamil communities in an effort to create better understanding. At the end of July, PAS Vice President Haji Nakhaei Ahmad indicated in a statement that his party was planning a series of dialogue sessions to exchange opinions with Chinese social organizations, to be represented by such groups as the Union of Chinese Schools Board of Managers and the affiliated Chinese School Teachers Union, on the issue of teaching the Chinese language. The statement added that his party was willing to hold similar dialogue sessions with Tamil social organizations. In his statement, Haji Nakhaei Ahmad urged Chinese and Tamil citizens of this country to discard the United Malays National Organization's [UMNO] political influence and evaluate PAS with an open mind.

Last April, PAS held a dialogue session to introduce Islamic teaching concepts to the Tamil community at the Kuala Selangor community hall in Kuala Lumpur. The dialogue session was successful and attracted public attention even though there were numerous accusations and obstacles from the ruling UMNO sector. After that, PAS held a similar dialogue session outside Kuala Lumpur. A dialogue session at the Chinese Chamber of Commerce in Kuantan in early July successfully attracted a large attendance from Chinese social organizations and several other community leaders there. In Kelantan, a PAS dialogue session in late July caused an uproar. At the dialogue session at the Chinese Chamber of Commerce in Kota Baharu, Kelantan, the Chinese community received an explanation of PAS' opinions and its stand on the main issues currently facing the country, and an introduction to the party's issues, objectives, and struggles. In connection with this particular activity, the Kelantan state chief minister, Mohamed Yaakob, charged PAS with trying to (?incite) the Chinese community with several issues, including sensitive racial issue, for the sake of gathering more votes. He then warned the Chinese and Tamil communities not to fall into PAS' trap. PAS Vice President Haji Nakhaei Ahmad brushed aside Mohamed Yaakob's accusations and pointed out that Mohamed Yaakob, as a chief minister, had made an unfair statement. This indicated the ruling regime's fear of and worry about PAS' dialogue sessions with the

Chinese and Tamil communities. Haji Nakhaei Ahmad then asked if the issue of language learning in the Chinese and Tamil communities is considered sensitive. Does this not mean the UMNO ruling clique is trying to obstruct the basic rights of the Chinese and Tamil communities?

Several groups, especially the Chinese teachers and Tamil counterparts in the country, are particularly concerned with PAS' willingness to hold dialogue sessions touching on the language-teaching issue. Collectively, they expressed their opinions to the press. Both, the Union of Chinese schools Board of Managers and the affiliated Chinese School Teachers Union said that all this while they were looking for support from other groups to champion their cause of teaching their mother tongue. When the chance came, they did not hesitate to attend the dialogue session the moment they were invited.

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CSO: 4213/28

MALAYSIA

VOPM DISCUSSES TRADE WITH CHINA UNDER MAHATHIR

BK191611 (Clandestine) Voice of the People of Malaysia in Malay 1230 GMT
18 Nov 85

["News commentary": "Observing the China-Malaysia Trade From Mahathir's
Upcoming Official Visit to China"]

[Text] In November this year, the Kuala Lumpur government's Prime Minister Mahathir announced his official visit to China. In the framework of his visit, he and the Chinese authorities will sign several (?basic) agreements. The agreements are a Malaysia-China trade agreement, an agreement to abolish double taxation, an investment protection agreement, and a shipping transport agreement.

What progress was achieved during the past 11 years since the resumption of diplomatic relations? Why was a direct trade agreement between Malaysia and China not signed up before now? Singapore and Indonesia, as ASEAN countries who have not yet resumed diplomatic relations with China, have signed trade agreements with China. Can trade between Malaysia and China achieve better progress through Mahathir's visit? All these questions have become the focus of public attention.

Malaysia-China trade started late. Malaysia and China resumed official diplomatic relations on 31 May 1984. The trade volume between Malaysia and China then amounted to 700 million ringgit. In 1984, the trade volume between the two countries increased to only about 1,100 million ringgit. This represents only a 1-percent increase in our external trade compared to China's wide export trade. Last year, the total import by our country from China amounted to 669.6 million ringgit, while the total import by China from our country amounted to 386.6 million ringgit. Our country imported mainly foodstuff, vegetables, fruit, knitwear, glassware, medicines, animal feed, and so on. On the other hand, China imported mainly raw materials from our country, such as rubber, palm oil, timber, and cacao. Last year, bilateral trade between ASEAN countries and China was estimated to have increased 59 percent compared to that in 1983; our country showed only a 1-percent increase. The ASEAN countries' total import indicated a 76.3 percent increase; our country recorded only a 9.6 percent increase, and our total export reached only 28.8 percent. Our country has recorded a trade deficit of 6.5 percent. From the figures given, both China and Malaysia have achieved

late progress in trade since the resumption of diplomatic relations. There are those who indicate that the Malaysia-China trade progress is meaningless if prices were (?raised) and also if compared with the amount of trade conducted by the other ASEAN countries.

In 1984, the amount of bilateral trade between our country and China amounted to about 2,050 million ringgit. With Japan it was 17,000 million ringgit, and with Taiwan 1,060 million ringgit. The trade total between Malaysia and China indicates that there are sectors of trade that can be further improved by the countries, as China possesses more than 1,000 million people. Its market potential shows limitless expansion. Why, then, has trade progress between our country and China been slow under various beneficial investment and trade opportunities? To widen the Malaysia-China trade has been the desire of the businessmen of our country all this while. But this effort has met great opposition from the Kuala Lumpur reactionary government. The obstacles are caused mainly by the launching of the New Economic Policy which (?affects) the Chinese authorities, as well as the racist feeling created by a minor group of the reactionary regime. The Kuala Lumpur reactionary government, then and now, hates the rational struggle against the imperialists, feudalists, and the bureaucratic capitalists. They have tried in various ways to destroy the revolutionary strength of our country. They show great resentment and hate for the friendly relations between the communists and the revolutionary people of China in their struggle against imperialism and colonialism and for greater social developments.

Since the resumption of diplomatic relations between Malaysia and China, the Chinese authorities have repeatedly said that the relations between the Communist Party of Malaya and the Chinese Communist Party remain only as a historical problem. China's support for the communist parties in Southeast Asia is only a normal one. The Chinese authorities also stress that the party-to-party relations and the relations between governments should be [word indistinct]. China will defend its noninterference in another country's domestic affairs. But the Kuala Lumpur reactionary government will stand by its anti-China policy and is at odds with China. The reactionary government's group believes China with its strong economy will become militarily strong and as a result will become a threat to Southeast Asia. On the other hand, a minor group of the Kuala Lumpur reactionary government is ever suspicious of the Chinese counterparts' loyalty to the country all this while. The minor group has brushed aside the efforts of the Chinese community born and bred in the country who have greatly contributed through their undeniable efforts to developing this country. They still consider the Chinese community of our country immigrants and China's (?supporters). This indicates clearly the discrimination, degradation, and humiliation of the Chinese people of our country. Through this, the Kuala Lumpur reactionary government will carry out its reactionary policy which allows only government-to-government relations but does not allow people-to-people relations after more than 11 years since the resumption of diplomatic relations with China. Under its policy, which is in opposition to the people's desire, the businessmen of our country are not allowed to visit China freely. Permission for such visits is very difficult to obtain and takes a long time for processing. The full number of

businessmen who wished to participate in the Guangdong Province trade exhibition was not allowed to do so. The businessmen who were allowed to participate in the Guangdong trade exhibition met several obstacles, even though good relations and understanding are important for trade. The relations between the members of the two sides are limited and are not widened, and this will not bring about any success in trade ties. As a result, the country's businessmen are finding it difficult to identify sectors of trade for export to China, and this will surely bring about a familiar result.

Likewise, China faces man-made obstacles to getting to know our businessmen because the Kuala Lumpur government maintains its anti-China stand and policy. This in turn affects the development of trade between the two sides. In addition, the Kuala Lumpur government has appointed Pernas [National Corporation], a Malay bureaucrat corporation, as its general agent in importing Chinese goods. Thus, any party wishing to participate in the Guangdong trade exhibition had to be led by Pernas. Any party wishing to sign [words indistinct] agreements with China must report to Pernas. Any party wishing to import Chinese goods must apply for an import permit from Pernas. Any party wishing to take purchased goods into a port must pay a 0.5-percent advance commission to Pernas. Pernas collects more than 2 million ringgit from this commission annually. The system adopted by the Kuala Lumpur government has brought difficulties and disadvantages for businessmen. This has indirectly increased the prices of Chinese goods and affected the development of Malaysian-Chinese trade.

Muhyidin, deputy trade and industry minister of the Kuala Lumpur government, said that 87 percent of the Chinese goods imported by our country are handled through third countries. Expenses would be reduced and the transportation of goods would be faster if trade were conducted directly. Why can Malaysia and China not sign a direct trade agreement? The main obstacle to the signing of such an agreement is the Kuala Lumpur government's intention to keep our traditional importers from importing Chinese goods to enable Malay bureaucrat corporations to monopolize trade with China.

On 28 August 1971, a Chinese trade delegation led by (Zhang Guanglong) visited Malaysia and signed a press release with Razaleigh, then Pernas president. Following the visit, the purchase of Chinese goods has been conducted through Pernas alone. For this purpose, the Kuala Lumpur government adopted a system under which our businessmen are required to ask for a permit and pay a 0.5-percent commission to Pernas to import Chinese goods. However, China believes that foreign trade should be conducted in accordance with the normal international practice. China must honor the contracts it has signed as long as they are in force. If Pernas is to be allowed to monopolize Malaysian-Chinese trade, traditional businessmen who have contributed to selling Chinese goods for dozens of years will be deprived of the trade opportunity. This is totally illogical. China also believes that there are many areas yet to be explored in bilateral trade in which other Malaysian government boards or businessmen can have their share. China has expressed disappointment at the Kuala Lumpur government's ruling that requires businessmen to apply for permits from and pay commission to Pernas to import Chinese goods.

On direct trade, Malaysia and China have a totally different stand on the terms direct trade. According to the Malaysian government, direct trade between Malaysia and China must be conducted between their official corporations. China says that direct trade implies trade which is conducted between the two countries irrespective of which domestic corporations are involved. Malaysia and China cannot sign a direct trade agreement because they fail to agree on the interpretation of direct trade. Mahathir hastily wants to sign a trade agreement with China during his upcoming visit because of the domestic and foreign situation. In recent years, the Kuala Lumpur government has been suffering from enormous debts. Its debts reached 60.6 billion ringgit in October this year. This amount of loan interests to be paid is estimated at 500 million ringgit this year. Due to the economic recession in the capitalist world, our country faces economic recession and marketing sluggishness. All companies face a gloomy situation. Many tin mines and timber plants have been closed down. Many workers in electronic, textile and other companies have been dismissed. In addition, the export trade of the ASEAN countries face many obstacles caused by U.S., Japanese, and the European Common Market protectionism. Under this bad economic situation, the open economic policy practiced by the Chinese Government and its huge market have indeed strongly attracted our country. Mahathir hopes to sign a trade agreement with the Chinese Government during his upcoming visit because he is too eager to improve the current economic position of our country.

Western economic experts say that the economic development of Western countries has reached its climax and even shown signs of decline. The economic development of the Asia-Pacific region has just started. Consequently, they view the 21st century as the Asia-Pacific Age. China has gained [words indistinct] results and benefits since practicing an open economic policy and reforming the domestic economic system. Many countries have entered into trade with and invested in China because China has a huge market and unlimited investment potentials. Indeed, Mahathir and his ilk witness this development. Mahathir himself said that our economy will be more prosperous if Chinese can be convinced to use palm oil every day.

Several years ago, Singapore began actively to explore the Chinese market through trade and investments and to provide technological services even though it had not yet established diplomatic relations with China. Following the signing of a trade agreement, the trade volume between Singapore and China increased from Singapore \$900 million in 1978 to Singapore \$2 billion in 1980. The trade volume increased to Singapore \$3 billion last year, representing twice the total trade volume between our country and China. Indonesia, which has had no diplomatic relations with China for 18 years, has continued to conduct indirect trade with the latter through Hong Kong and Singapore. To reduce the trade deficit and increase exports, Indonesia and China signed a memorandum of understanding in Singapore on 5 July this year on the restoration of their direct trade. Following the signing of the memorandum, trade delegations of the two countries visited each other's country. Both Indonesia and China issued a joint statement before the first Chinese trade delegation left Indonesia. In the statement, China agreed to buy coffee, plywood, textile, cement, steel, timber, natural rubber, and rattan worth some \$350

million or 875 million Malaysian ringgit from Indonesia. Thailand and the Philippines have also signed economic agreements.

The Mahathir clique, which is facing a bad economic situation, is very alarmed that the neighboring countries have signed trade agreement and contracts and entered into large-scale trade with China. It is worried that more trade opportunities will be grabbed by others. Thus, it wants to sign a trade agreement with China as soon as possible.

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CSO: 4213/34

MALAYSIA

BRIEFS

AUSTRALIAN AIR CHIEF ARRIVES--The Australian chief of air staff, Air Marshal J.W. Newham, has called on Malaysian Chief of Air Force Lt Gen Datuk Mohamed Ngah Said at the Defense Ministry in Kuala Lumpur. Air Marshal Newham, who is on a 3-day visit for a first-hand look at the Royal Malaysian Air Force, was met on arrival by Deputy Chief of Air Force Maj Gen Datuk Shahrudin Ali. Air Marshal Newham and Lt Gen Datuk Mohamed Ngah discussed matters of mutual interests and ways to complement each other, particularly in training. Air Marshal Newham, who had previously served with the Royal Australian Air Force in Butterworth, took up his present appointment in May. [Text] [Kuala Lumpur International Service in English 0800 GMT 19 Nov 85 BK] /12232

RELIGIOUS TEACHING BAN EXTENDED--The temporary ban on all ceramahs [religious lectures] imposed in Kedah, Perlis, Kelantan, Terengganu, and North Perak has been extended to Pulau Pinang. The ban was first imposed following the Baling incident on Tuesday. In a statement, the acting inspector general of police, Tan Sri Mohamed Amin Osman, said celebrations of Prophet Mohammed's birthday on Monday can be carried out in the affected areas at mosques, suraus [Muslim chapels], and other places with the permission of the relevant authorities. Organizers of the celebrations in the affected states will not be allowed to hold any processions. He reminded that speakers at the occasions must confine the subjects related to the celebrations. Members of the public are requested to assist the police in maintaining order. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 22 Nov 85 BK] /12232

GOVERNMENT KEEPS EMERGENCY DECREES--The government will not propose to lift the four existing proclamations of emergency. The minister in the Prime Minister's Department, Datuk Khalil Yaakob, told the Dewan Rakyat [House of Representatives] these were made in 1965 in connection with Indonesian confrontation, in 1967 in relation to the political crisis in Sarawak, in 1969 in connection with the 13 May riot, and in 1977 in connection with the political crisis in Kelantan. He said that it was the responsibility of the government to ensure the security and stability of the country for the smooth implementation of government projects. The minister explained that the government has to take preventive measures to maintain security and stability in the country by continuing to have in force the ordinances under the emergency regulations. [Text] [Kuala Lumpur Domestic Service in English 1130 GMT 22 Nov 85 BK] /12232

GROUPS 'ABUSING' FREEDOM--Political groups or parties cunningly abusing freedom to gain more influence were urged today to renounce such practices by Acting Prime Minister Datuk Musa Hitam, who said they should not have abused the freedom given them by violating state laws and regulations. Datuk Musa, who is also home affairs minister, said such groups have abused religion to seize power by inflaming religious fervor, causing disunity among religious followers. He made these remarks after inaugurating a new mosque near Denarau, Johor. He said the incident at Kampung Memali Siong, near Baling in Kedah last Tuesday (19 November), a black day in the nation's history, was an example of such groups' brutality. [Text] [Kuala Lumpur Domestic Service in Malay 1230 GMT 24 Nov 85] /9599

FISHING VENTURE ACCORD--Malaysia and Indonesia have agreed in principle to allow their fishermen to conduct a joint fishing venture in the waters of their exclusive economic zones. The agreement was reached by the two agriculture ministers last August. Deputy Agriculture Minister Dr Goh Cheng Teik told the House of Representatives today that his ministry will help fishermen on the western coast wishing to fish in Indonesian waters in accordance with future regulations. The views and problems of fishermen and certain groups will be taken into account before the joint venture is undertaken. [Text] [Kuala Lumpur Domestic Service in Malay 1230 GMT 14 Nov 85] /9599

CSO: 4213/28

NEW ZEALAND

LANGE ACCUSES U.S. OFFICIALS OF LYING ON ANZUS

Auckland THE NEW ZEALAND HERALD in English 5 Nov 85 p 12

[Text] NZPA Wellington

The Prime Minister, Mr Lange, has accused United States officials of lying in the way public statements are made in the debate surrounding the Anzus crisis.

He said yesterday that journalists often quoted unnamed American Government officials on the issue.

Mr Lange said American officials were perfectly entitled to make such statements.

But "they are lies because they refuse to put a name to them," Mr Lange said.

Mr Lange referred again specifically to comments by the United States Ambassador, Mr H. Monroe Browne, in a television interview at the end of his four-year term last Thursday night.

Mr Browne said Mr Lange asked Washington to give him six months after last year's election to find a solution to the nuclear warships ban.

Mr Lange denied he had made such an undertaking and noted that the Secretary of Foreign Affairs, Mr Merwyn Norrish, had agreed with his recollection of the meeting referred to by Mr Browne.

Clap-trap

Asked whether as Minis-

ter of Foreign Affairs he had filed any complaint with the United States Government over the comments, Mr Lange said he would not be issuing a complaint because he was all in favour of people stating their positions to the public.

"I actually have, and this Government has had, a considerable boost to the understanding of the New Zealand electorate on this whole issue every time Monroe Browne entered into the public arena," Mr Lange said.

"They seem to put forward that clap-trap months after the event when if there had been any truth in it at all this Government would have been done by such disclosure at the right time — absolutely done like a turkey."

Mr Lange said Mr Browne's judgment was deficient and his memory faulty.

Interview

New Zealand would never ask the United States to change its policy of nuclear disclosure, Mr Lange said in an interview in the American magazine Newsweek released yesterday.

But he said his Government would not allow nuclear weapons in New Zealand ports.

MP HITS U.S. ANZUS POLICY AT INTERNATIONAL FORUM

Auckland THE NEW ZEALAND HERALD in English 1 Nov 85 p 5

[Text] United States insistence on seeing its nuclear weaponry as an integral part of Anzus may prove to be the fatal flaw of the alliance, a Government MP said yesterday.

The foreign affairs and defence select committee chairwoman, Helen Clark, said nuclear politics were destroying alliances as they had been known.

The burden of alliance membership meant in reality there was no longer a need to demonstrate a preparedness to come to the assistance of one's partners in the event of a conventional strike against them.

"Rather, sharing the risks nowadays means a preparedness to have the nuclear weapons of others based on one's territory or — at the very least — to have them make the occasional 'friendly' port call," she said in a speech prepared for delivery to the annual forum of Parliamentarians for World Order in New York.

A refusal to share risks in those ways called into question the superpower's willingness to defend a partner in any event, she said.

"In this way nuclear weapons have corrupted alliances constructed initially on the now old-fashioned assumption that their purpose was to

defend national boundaries and preserve territorial integrity.

"The aggressive promotion of nuclear weapons within alliances now stands to destroy the alliances themselves. Certainly it is having that effect on the Anzus alliance."

Helen Clark said the only conclusion from the United States reaction to New Zealand's policy was that the American acceptance of the non-nuclear policies of its other allies was conditional on the willingness of those allies not to make their policies effective and, in essence, to turn a blind eye to any infringements of them.

The pressure on the United States to rethink its nuclear strategies would be immeasurably greater if the non-nuclear stands of those "nuclear-free" nations were now enforced, she said.

Membership of the great superpower alliances for small states was scarcely designed for the protection of their territorial integrity.

It had come to involve active identification with one superpower's aspirations rather than with the other's and being prepared to see nuclear weapons used in defence of those aspirations and in their promotion — if need be.

NEW ZEALAND

OPPOSITION MP WARNS OF LABOR PARTY 'SOCIALIST' GOALS

Wellington THE EVENING POST in English 11 Nov 85 p 3

[Text]

The facts do not support any belief that the Government has shed its innate socialist objectives, Opposition MP George Fair said today.

Speaking to a National Party meeting in the Rodney electorate, he said many people, including some prominent business people, had been 'mesmerised' by the Government's economic policies, and had persuaded themselves that they were not being taken down the socialist path.

Objectives

"This fourth Labour Government is not a genuine private enterprise-loving, market-oriented paragon of virtue, but rather a weird mixture of left-wing socialists and economic liberals using the guise of 'free market' and 'less regulation' to achieve or further their socialist objectives," Mr Fair said.

He said Labour "like the true so-

cialists they are," had steadily run down the defence forces and were prepared to take New Zealand out of the Western alliance and into the Third World.

Undermine

They had brought back compulsory unionism - allowing unions to extract an extra \$300,000 a month in subscriptions - and, through such devices as family care, had increased the number of state beneficiaries from less than 50,000 in March last year to more than 250,000 today.

The Government claimed to have given the country market forces and economic freedom, but these were only a part of economic policies designed to undermine the real strength of the privately-owned private enterprise democracy, Mr Fair said.

"The socialist line of economic theory is set to squeeze the family farmer and the small businessman

between the proverbial rock and a hard place, and he doesn't give a damn.

"Taken at the bottom of the heap in the world today he is pushing us into, he treats with disdain.

"He leaves the hatchet work to Richard Prebble, the soft soap to David Croyall, the chest beating and crossfire that according to David Lange, and the sanctimonious post-mortem to Geoffrey Palmer," Mr Fair said.

"Like true socialists, they know that the real barrier of private enterprise against socialism lies in the relatively small business and professional operation, and in the family farm ...

Historical

"We have traditionally prided ourselves in this country that we have one of the highest per capita standards of home ownership in the world. Labour will ensure that this becomes an endangered inheritance, not a secure possibility," Mr Fair said.

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CSO: 4200/305

NEW ZEALAND

ATTORNEY GENERAL ON FRENCH AGENTS' SENTENCING

HK220738 Hong Kong AFP in English 0630 GMT 22 Nov 85

[Text] Wellington, 22 November (AFP)--New Zealand's attorney general today said that the courts had done their constitutional duty in handing down 10-year jail sentences on two French secret agents who pleaded guilty to manslaughter charges in the Rainbow Warrior bombing case.

Geoffrey Palmer told journalists, "the courts have carried out their constitutional duty" in sentencing Major Alain Mafart and Captain Dominique Prieur to 10-year jail terms for their part in the bombing of the Greenpeace vessel in Auckland Harbour in July, in which one crew member died.

The courts had done their work "without any input from the political arm of government. That is the way it should be," he added.

Earlier, both he and prime minister and Foreign Minister David Lange had declined comment on the sentences, noting that the two French Secret Service officers had 10 days in which to lodge appeals against their jail terms.

The French Embassy in Wellington declined to comment on the sentence imposed on the two French Army officers, but reliable sources said that senior embassy officials were dismayed by the severity of the sentences imposed today.

Opposition leader Jim McLay said the sentences were appropriate and that New Zealand must signal clearly to possible terrorists that this was how they would be dealt with by the New Zealand courts.

"It was vital in this first case of international terrorism in New Zealand that the court send a very clear signal to international terrorists," Mr McLay said.

He said the government must also send "a clear signal that these people won't get home early."

Immigration Minister Kerry Burke declined to comment to reporters on whether the two prisoners could be deported in the wake of their jail sentences.

Mr Burke said he understood further charges would be laid next week against the two French agents.

They are to appear in the Auckland District Court Monday on immigration offence charges for presenting false passports when they entered New Zealand 5 months ago.

Conviction on such charges carries an automatic deportation order but this is only imposed after any sentence for a criminal conviction has been served.

/12232

CSO: 4200/296

NEW ZEALAND

FINANCE MINISTER FORESEES MORE 'PAIN' BEFORE ECONOMIC GROWTH

Auckland THE NEW ZEALAND HERALD in English 4 Nov 85 p 1

[Text] The Minister of Finance, Mr Douglas yesterday forecast a "rough landing" for the New Zealand economy with business failures and rising unemployment.

Three critical indicators showed how New Zealand had performed in the past two decades.

Of the member nations of the Organisation for Economic Co-operation and Development, only Turkey had done worse. New Zealand's average economic growth rate of 0.6 per cent was much lower than that of its trading partners. Finally, the inflation rate was one and a half times higher than that of New Zealand's competitors.

"We have done poorly for a number of reasons," Mr Douglas said. "Until we make adjustments we won't go forward."

The national debt had climbed to \$13 billion. At present, \$19 of each \$100 collected in tax went to pay interest bills. A decade ago, only \$6 was spent on interest.

Not the Case

As debt payments rose, money allocated to education, health and housing had fallen.

Mr Douglas said that as recently as six months ago he felt the economy would be restructured and emerge with a soft landing.

That was no longer the case, he said. The wage

round and other events now suggested a rough landing.

Trade unions had been responsible in their demands since the economic summit conference last year, Mr Douglas said; it was not necessarily the same this time round.

"There just has to be a sense of realism there," he said, referring to the wage round. Some industries

He said these were part of the pain the country would have to endure if it wanted economic growth and higher living standards.

Mr Douglas would not discuss specifics. Neither would he elaborate on when he expected the economic downturn to bite into firms and jobs.

Meat Industry

But he told a Labour Party meeting in Auckland that some business sectors could not afford the 15 per cent level achieved in the wage round.

He singled out the meat industry, which employs about 30,000 workers, as one significant job area which lacked the capacity to pay the 15 per cent standard.

Meatworkers wanting a settlement around that mark would "vote them-

selves out of a job," Mr Douglas said.

The Minister told about 120 people at a Tamaki Labour Electorate Committee meeting that the New Zealand economy would slowdown over the next 12 months. The growth levels of the past 18 months or so could not be sustained.

"New Zealand is face to face with a slowdown in the economy," Mr Douglas said, which had performed well could afford pay rises and absorb much of the cost. Others, however, could not.

Hold the Key

Speaking in front of a gloomy set at Selwyn College for the Bertholt Brecht play *The Threepenny Opera* — it featured a black gallows and dock — Mr Douglas said the extent of pain felt in the community did not depend on the Government.

Companies and unions held the key to New Zealand's economic performance, the minister said, adding that he was concerned about the level of wage rises and their impact.

"There is no evidence that they will be matched by increases in productiv-

ity," he said.

In the circumstances, there could be no relaxation of the Government's tight monetary and fiscal policies — to meet its goal of reducing inflation.

According to Mr Douglas, softening the economic policy would delay the crunch by only six months, "and when it comes there would be a much worse drop in standards and it would remain a lot longer."

Demonstration

He said the policy of targeting inflation, which fell in the last quarter from 5 to 2.8 per cent, was bearing fruit and interest rate falls would follow.

When he arrived to speak, Mr Douglas faced a small demonstration from an Auckland group calling itself the People's Budget Action Alliance. Two policemen were also present.

A member of the alliance, Mrs Sue Bradford, said its 40 supporters had previously backed the Labour Party but were now fighting the goods and services tax.

Mrs Bradford, a mother of four, said the tax was regressive and hit the poor. She accused the Lange Government, under Mr Douglas' economic policies, of abandoning traditional Labour supporters and spending massive amounts to promote "an iniquitous and cruel tax."

Create Jobs

But Mr Douglas, in a strong defence of the new tax to come into force next October, said no other form of taxation would reform the present system.

By cutting personal tax rates and taxing consumption, high-income earners would be encouraged to

invest capital and create jobs. Under GST, low-income groups would be better off than at present, Mr Douglas said.

He told his critics: "I suggest they look again."

He said GST would be simple to police and administer.

Even-handed

Mr Douglas also defended the Government's policies in relation to farmers and manufacturers. Removals of price supports and subsidies in agriculture had been matched by import licence amendments and tariff moves.

"I suggest we are being even-handed," he said.

Mr Douglas said past policies had seen New Zealand slump from having the world's third highest standard of living to Third World country status.

/13104

CSO: 4200/305

NEW ZEALAND

MANUFACTURERS URGE GOVERNMENT TO RELAX ECONOMIC POLICIES

Auckland THE NEW ZEALAND HERALD in English 1 Nov 85 p 5

[Text] The Manufacturers' Federation yesterday warned the Government to choose between modifying economic policy or watching the economy dig itself "deeper into the hole."

The problems were caused by a strong dollar and high interest rates, the federation said.

Its president, Mr Earl Richardson, urged a managed float of the dollar or a cut in Government spending.

He said the Government could still salvage the principle of market forces.

"The Government cannot allow the economy to dig itself any deeper into the hole," he told the federation's annual convention in Wellington.

But the Minister of Finance, Mr Douglas, bluntly told manufacturers he would not relax the Government's anti-inflationary policy.

The next six to 12 months would be tough, he admitted. The Government would come under pressure to drop its medium-term focus and return to past "band-aid policies."

Two Choices

However, the Government should not, and would not, change course.

Mr Douglas said he would be faced with two choices.

The first was to hold the line on the current policy

and continue until there was a permanent, low-inflation economic recovery.

The alternative was to go easy on monetary policies, prop up a few industries with new or extended subsidies, borrow a bit more and create political diversions which distracted attention from the damage being done to the country's medium-term economic prospects.

"Let me tell you right at the outset that I will not adopt the latter option," he told the convention. "That would be to consign New Zealand to another 10 years like the last 10 years."

The Government had steadfastly avoided band-aid solutions that hid a problem rather than fixed it, Mr Douglas said.

He considered it important that manufacturers take a similar view.

Cost 'Too High'

But Mr Richardson told the minister that whatever economic theory he was following it was not working.

The cost of any eventual success would be too high, he said.

"Is it not wise, taking account of overseas experience, to act on the early warnings and modify the economic plan?"

The Government had a choice. It could convert the free float of the dollar into a managed float, which was more appropriate to a cur-

rency the size of New Zealand's and bring the dollar's value closer to economic reality.

"Nationalistic aspirations to economic purity aside, I believe that as time goes by the hurly-burly of world economics will bring home the realisation that a free float of the kiwi dollar will be too uncomfortable," Mr Richardson said.

The alternative was to defer a significant slice of Government spending this year and remove some of the pressure of Government borrowing which was "supercharging" interest rates and the exchange rate.

"The latter course may be unattractive by traditional standards but under the Government's new philosophy is one of the few it has left itself available."

Reverse

Some time ago ministers had expressed confidence that interest rates would be moving back towards normal levels and the New Zealand dollar would be down to \$US0.42c by last month.

But up to last week the reverse had occurred, Mr Richardson said. Exchange rates continued to strengthen in response to higher interest rates — in turn, a response to the Government's increased loan lending.

The "Government" was trying to hold latent inflation from the wage-price freeze and the devaluation through a tight money supply, he said.

But high interest rates, month after month were being pushed further into medium and long-term borrowing and were steadily locking the economy into a high-interest rate regime.

A slowdown in manufacturing exports was already under way, Mr Richardson said. Exporting was no longer profitable and manufacturing was under siege on the domestic market.

Many companies were hanging on grimly in the hope that the pain would not last more than 12 months but Mr Richardson's "gut feeling" was that 12 months would be a minimum under a market-forces regime.

While accepting the need for a firm monetary policy to suppress inflation, the business community believed the medicine was too strong.

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CSO: 4200/305

NEW ZEALAND

FARMERS PROTEST PLIGHT, STAGE AUCKLAND BOYCOTT

Auckland THE NEW ZEALAND HERALD in English 3 Nov 85 p 10

[Text] Farmers in the Auckland province have put away their cheque books and are refusing to sell stock this week in protest at their economic plight.

The week-long boycott on buying and selling has been arranged by the Auckland provincial branch of Federated Farmers to highlight the financial difficulties facing farmers.

Although still early in the shopping week, indications are that many of the region's farmers are taking seriously the voluntary ban on spending.

Less Trade

Business was brisk at many farm supply stores in the region last Thursday and Friday, as farmers prepared for the boycott and stocked up for the week.

Yesterday some stores in smaller centres reported less trade than usual.

Farmers have also been urged not to send their

stock to freezing works or sales this week.

While saleyards will be open for business as usual, agents are not expecting big stock numbers.

Rural Towns

The provincial chairman of the meat and wool section, Mr Stanley Phillips, said he thought most farmers in the region would take part in the boycott.

The boycott was to highlight the effect reduced spending by farmers would have on small rural towns.

Similar protests have been held by Hawkes Bay farmers, and the president of Federated Farmers, Mr Peter Elworthy, has said nationwide campaigns to make the Government more aware of farmers' troubles might be made.

/13104

CSO: 4200/305

NEW ZEALAND

LAMB SALES TO CANADA EXPECTED TO DOUBLE

Auckland THE NEW ZEALAND HERALD in English 7 Nov 85 p 5

[Text] Record exports of a million lambs to Canada during 1984-85 give New Zealand an 80 per cent share of the Canadian lamb market and sales are expected to double within the next five years.

The success in Canada, announced yesterday, comes when the New Zealand Meat Export Development Company (a consortium of exporting companies and the Meat Board) has had good progress in the United States hindered by the imposition of heavy countervailing duties on lamb.

Canada is as yet only a relatively small lamb market, returning New Zealand \$21.3 million in the year to June, but export income from the product is projected to rise.

The development company's Canadian subsidiary, the New Zealand Lamb Company, attributes its progress in Canada to familiarity with the market and to its ownership of a cutting and packing plant near Toronto.

The plant, established in 1980, imports frozen New Zealand lamb in "primal" cuts and converts it into packaged, market-ready portions.

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CSO: 4200/305

PAPUA NEW GUINEA

FURTHER REPORT ON OUSTING PRIME MINISTER

HK210156 Hong Kong AFP in English 0143 GMT 21 Nov 85

[Text] Port Moresby, Nov 21 (AFP)--Mr Somare, prime minister for eight of Papua New Guinea's ten years of independence, lost the no-confidence motion by 57 votes to 52.

The vote followed several days of political manoeuvring which came to a head earlier this week when Mr Somare sacked Defence Minister Stephen Tago for disloyalty.

Mr Tago then joined Mr Wingti on the opposition benches.

The 35-year-old Mr Wingti had served as Mr Somare's deputy until March this year when he joined the opposition and unsuccessfully launched a no-confidence motion against the prime minister.

Today's no-confidence motion against Mr Somare was the ninth he had faced in eight years as prime minister.

Known as "the chief" and the father of independence, Mr Somare had survived all but one attempt to oust him--in 1980 when Sir Julius Chan became prime minister for two years.

Mr Wingti was to be sworn in by Governor-General Sir Kingsford Dibela later today.

Mr Somare said he would do all he could to ensure a smooth transition of power but added that he believed he and his Pangu Party would be returned to office in the next elections, scheduled for 1987.

He said he was proud that Papua New Guinea operated under a democratic system with provision for peaceful changes of government.

Under the Papua New Guinea Constitution the government can change on the floor of the House after a successful motion of no-confidence in the prime minister.

Mr Wingti told parliament he would be forming a five-party coalition which would also include independents.

The new prime minister, from the country's Highlands, has advocated a more conservative economic policy than his predecessor.

PAPUA NEW GUINEA

BACKGROUND TO SOMARE'S OUSTING REPORTED

HK210734 Hong Kong AFP in English 0723 GMT 21 Nov 85

[By Ian Pedley]

[Text] Port Moresby, Nov 21 (AFP)--Papua New Guinea's father of independence, Prime Minister Michael Somare, was ousted by his one-time deputy Pias Wingti in a parliamentary vote of no-confidence today.

Weeks of political manoeuvring came to a head when Mr Wingti, opposition leader since March, forced a showdown on the floor of the House of Assembly.

Mr. Somare lost the no-confidence motion by 57 votes to 52 to lose office for the second time in 10 years of independence.

The vote was identical to a similar move in the house in 1980 which resulted in the then opposition leader Sir Julius Chan taking power for two years.

Sir Julius, leader of the Progress Party in the opposition alliance, moved today's vote against Mr Somare, saying the government was divided by bitterness and infighting and had lost control of the economy.

He then nominated Mr Wingti, leader of the People's Democratic Movement, as alternate prime minister. Papua New Guinea's Constitution does not require early elections to be held if a prime minister loses a vote of no-confidence.

Papua New Guinea's next elections are due in 1987, which will give Mr Wingti at least two years in power if he can control the often volatile factions within the opposition alliance.

The 35-year-old Mr. Wingti, a former student radical from the Highlands, entered parliament in 1977.

Considered Mr Somare's heir apparent until their split earlier this year, Mr. Wingti made an unsuccessful attempt at the prime ministership in August but was thwarted when Mr Somare adjourned parliament early to prepare for Papua New Guinea's 10th anniversary celebrations the following month.

Chief minister prior to independence, Mr Somare has been prime minister for eight of the past 10 years, with Sir Julius Chan occupying the position from 1980 to 1982.

Mr Somare said after his removal today that he intended to lead his Pangu Party back to victory in 1987.

The showdown with Mr Wingti became inevitable after a series of defections within the government ranks, a customs scandal in which Mr Somare was alleged to have played a leading role and problems with the country's economy.

Only last month Mr Wingti had virtually ruled out the possibility of issuing a new challenge so close to budget time.

But virtually on the eve of bringing down his budget last week Mr Somare attempted to dismiss his industrial development minister, Karl Stack, who survived only because of the support he was able to muster in the government ranks.

Then this week Mr Somare sacked his defence minister, Stephen Tago, for disloyalty. Mr Tago promptly crossed to the opposition bench to join fellow members of his National Party.

In Papua New Guinea politics it is not unusual for some members of a party to vote with the government and others with the opposition.

Mr Stack and Mr Somare were both central figures in a recent commission of enquiry into allegations that Mr Somare had personally intervened to prevent customs officers from making a drug search of an Australia-bound Pelair Westwind jet at Port Moresby airport.

Mr Stack had been involved in talks with Pelair principals about setting up a freight airline in Papua New Guinea.

Mr Somare also faced many problems on the economic front.

Like many other developing nations, Papua New Guinea has many unemployed among its 3.5 million population.

Huge law and order problems among unemployed villagers who had drifted to squatter settlements around Port Moresby led Mr Somare to impose a state of emergency including a curfew in the capital district earlier this year.

The curfew was lifted at the beginning of this month.

The national economy has been hard hit over the past year by falling world prices for metals--Papua New Guinea's principal exports.

Mr Wingti has indicated he will take a more conservative economic line than Mr Somare in an effort to restore the country's economy, which still relies heavily on financial assistance from Australia, its former colonial overlord.

PAPUA NEW GUINEA

PROFILES OF NEW PAPUA NEW GUINEA PRIME MINISTER

HK210926 Hong Kong AFP in English 0921 GMT 21 Nov 85

[Text] Port [as printed] Nov 21 (AFP)--Papua New Guinea's new prime minister, Pias Wingti, is a middle-of-the-road socialist who plans to pattern his style of leadership on Singapore's Lee Kuan Yew.

The 35-year-old Mr Wingti today became his country's third prime minister since independence 10 years ago by ousting his former leader, Michael Somare.

Mr Wingti entered parliament in 1977 as a member of Mr Somare's Pangu Party and was his deputy prime minister and heir apparent until their split in March this year.

Mr Wingti crossed the floor with several other Pangu defectors to form the People's Democratic Movement, and became opposition leader with the blessing of chief power brokers Sir Julius Chan and Iambakey Okuk, both themselves former deputy prime ministers under Mr Somare.

The first highlander to become prime minister, Mr Wingti was a student activist at university, then returned to his village and grew vegetables before launching his political career.

In a recent interview with AGENCE FRANCE-PRESSE, Mr Wingti described his politics as "middle of the road" and socialist within the Papua New Guinea context.

"We have to get the best of the Western world and the best of our own traditions," he said. "We have to accept human beings as more than just a commodity as in some other societies."

Mr Wingti said he was an admirer of the Singapore prime minister's style of leadership.

"We will do the same as Lee Kuan Yew did for Singapore," he said.

Fourteen years younger than the man he supplanted, Mr Wingti represents the first of the new generation of well educated Papua New Guinea politicians.

While recognising the state of the economy as his major problem, Mr Wingti is a realist about his country's ability to become self-sufficient.

"We are going to need outside capital and professional skills for a long time," he said.

"But we will set a firm target date when we will do away with aid from Australia. We need to say no more aid after 10 or 15 years or whatever we decide," he added.

Mr Wingti said he would like to improve dialogue with Australia, his country's former colonial ruler, but believes Papua New Guinea's main trading future lies with Southeast Asia and China.

During his radical student days Mr Wingti was a founding member of the Papua Guinea-China Society, although his philosophy has become much more conservative since then.

Because of the nature of his new government alliance, Mr Wingti is unlikely to initiate any major changes to foreign policy.

His major foreign problem is what to do with the 10,000 Irian Jayan refugees camped on Papua New Guinea's side of the border with the Indonesian Province.

Mr Wingti told AFP he was happy at the state of relations with Indonesia and that he has no prejudices against any nation.

"We would study case by case whether Russia, or the United States, or France, or anyone wanted to, say, fish in our economic zone," he said.

But he said he would take a stronger stance than Mr Somare against French nuclear testing in the Pacific.

"We would look at our diplomatic relations seriously and would take the matter up with the United Nations and look at boycotts," he said.

Senior Wingti aides said today the new prime minister would take a more aggressive stance on domestic issues and would streamline the number of government departments.

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CSO: 4200/283

PAPUA NEW GUINEA

ENVOY SEES LITTLE CHANGE IN INDONESIAN RELATIONS

HK211128 Hong Kong AFP in English 1122 GMT 21 Nov 85

[Text] Jakarta, Nov 21 (AFP)—Little is likely to change in the sensitive and often troubled relations between Papua New Guinea and neighbouring Indonesia as a result of the change of government in Port Moresby [word indistinct] senior Papuan diplomats said here.

Port Moresby's ambassador to Indonesia, Brian K. Amini, today pointed out that the new prime minister, Paias Wingti, at 35 one of the world's youngest leaders, had been a deputy to former Prime Minister Michel Somare until March, when he broke away to form his own People's Democratic Movement.

Mr Somare was ousted early today when Mr Wingti forced a showdown on the floor of the House of Assembly and the opposition won a no-confidence vote by 57-52 votes, two more than the simple majority required by law.

Mr Amini also stressed that Mr Wingti had already appointed Sir Julius Chan, a former opposition prime minister, as his deputy and that Sir Julius had been instrumental in drafting a foreign policy white paper adopted in 1982 and followed by the Somare Government since.

The white paper underlines non-interference in Indonesian affairs, recognizes that the border province of Irian Jaya is a part of Indonesia, and stresses neighbourly cooperation and non-recognition of a separatist group operating inside Irian Jaya.

Mr Amini, who officially informed Indonesian Foreign Minister Mochtar Kusumaatmadja of the change of government this morning, said that Mr Wingti had already met several senior Indonesian ministers, including Mr Mochtar.

Mr Mochtar said in a brief statement today that he hoped the existing good relations between the two governments could be maintained.

The main, and often explosive, irritants between the two countries which share an ill-defined 800 kilometer (496 miles) long border have been alleged Indonesian military border incursions and most recently the influx of 11,000 refugees from the Indonesian province of Irian Jaya onto the Papuan side of the border.

At least 10,000 remain camped on Papuan soil, citing fears of further clashes between the Indonesian military and separatist guerrillas if they should recross to the Indonesian side.

One senior Papuan diplomat told AGENCE FRANCE-PRESSE that there were no more sympathizers with the separatist guerrillas in the five party coalition than there were in Mr Somare's government.

Mr Somare had been scheduled to visit Jakarta next month and today Mr Amini told a press conference he expected Mr Wingti or his foreign minister would visit Indonesia when the new government had sorted itself out.

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CSO: 4200/283

PAPUA NEW GUINEA

PNG WINGTI SCRAPS SOMARE'S BUDGET

HK220546 Hong Kong AFP in English 0431 GMT 22 Nov 85

[Text] Port Moresby, Nov 22 (AFP)--Papua New Guinea's new government led by Pias Wingti plans to scrap the annual budget announced only last week the prime minister's office said today.

Mr Wingti, who yesterday ousted Michael Somare as prime minister in a parliamentary no-confidence vote, had been highly critical of the previous government's economic policies.

The new prime minister plans to drop a controversial import levy on basic food items such as rice and tinned fish and to amend planned cost-of-living wage adjustments, the AUSTRALIAN ASSOCIATED PRESS (AAP) reported.

Mr Wingti also was reported to be considering the possibility of reducing projected 1986 borrowing of more than 200 million U.S. dollars and rescheduling repayments of the country's one-billion dollar public debt.

The budget announced by Mr Somare last week had not been passed by parliament before he was ousted yesterday.

Mr Wingti, who had appointed a five-member caretaker cabinet with Sir Julius Chan as his deputy, is expected to announce his full list of ministers next week.

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CSO: 4200/283

PHILIPPINES

FIRST LADY CONTRASTS U.S., USSR RELATIONS WITH MANILA

Quezon City ANG PAHAYAGANG MALAYA in English 6 Nov 85 pp 1, 6

[Text]

COPENHAGEN, Denmark (AP) — Mrs. Imelda Marcos, returning from a visit to Moscow, told a Danish newspaper reporter Monday the Soviet leadership showed no signs of pressuring the Philippines.

"It can be said easily of the Soviet leaders that they did not press at all," the wife of Philippine President Marcos told correspondent Poul Svendsen of the Danish newspaper Jyllands-Posten.

"Tell us how we can help you, they said," Mrs. Marcos was quoted as saying.

Mrs. Marcos was interviewed in Tokyo, where she arrived last Friday for a six-day unofficial visit on her way back to Manila. She said she had discussed Soviet use of Philippine shipyards while she was in Moscow, an issue said to be regarded with concern by the United States.

"We can't tell them any more there. We have to tell them that the Russians need to get their ships repaired and have to get their ships repaired. We can't tell them any more. We have to tell them that the Russians need to get their ships repaired and have to get their ships repaired."

Mrs. Marcos said she had received promises from Soviet leaders that they would not export arms and missiles, which caused her to feel satisfied.

She said Soviet leaders had said

to her that they would not export arms. There are no arms exports from them."

Asked if she felt the United States was pressuring her husband too fast for change in the Philippines, Mrs. Marcos said:

"We can't really understand what it is that leads the U.S. to press us so hard."

Mrs. Marcos said the Philippines had "a little over-reaction" in the wake of treaties from a former communist leader, Marcos, and the shooting of a Philippine leader, Benigno Aquino, "but no, they are not over-reacting."

Asked if U.S. President Ronald Reagan had caused her to react in the Philippines, she said that the U.S. leader had said "he is not the one who is causing the reaction."

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CSO: 4200/290

PHILIPPINES

SOURCES ON POSSIBLE FUTURE APPOINTMENTS FOR ROMUALDEZ

Quezon City VERITAS in English 10 Nov 85 p 10

[Article by Jo-Ann Baena Cruz: "All in the Family"]

[VERITAS subslug: "Rumors Are Rife That Imelda's Brother Is Being Groomed for Some Choice Positions in Government"]

[Text]

...from the hidden wealth from Revolution 11 dated last August calling for the impeachment of President Marcos. But he says a report of nomination and even more for some other post, the report of nomination of President F. P. ... the United States ... and the ...

In the impeachment resolution, the opposition cited several facts against the President, among them, but they referred to as the "culpable violation of the Constitution" which they further qualified as "knowingly performing such acts as but not limited to appointments and other official acts in contravention of

Constitutional prohibition and/or limitation."

Under this heading, the first item that appeared was Romualdez' May 21, 1982 appointment by the President to the position of ambassador to the U.S. The President, the opposition reasoned, had done this "in wilful and culpable violation of Paragraph 1, Section 4, Letter B, Article XII of the Constitution of the Republic of the Philippines, which provides as follows:

"Unless otherwise provided by law, no elective official shall be eligible for appointment to any office or position during his tenure except as member of the Cabinet."

"Governor Benjamin T. Roa was elected Governor of the Province of Leyte on January 20, 1980 and has served as such up to the present while serving also as Philippine Ambassador to the United States of America since May 21, 1982."

The Kilusang Baysang Lipman (KBL) immediately set out to prove the oppositionists wrong. In Resolution 6-85 which they filed just three minutes after the resolution for impeachment was submitted, the KBL pointed out that the phrase "unless otherwise provided by law" legitimized Ro-

amended, amendment to order. This phrase was the result of an amendment dated April 7, 1961.

Even before the provision was amended, however, the president had issued Executive Order 659 which stated that "any official, whether elected or appointed, be designated by the President and the Prime Minister to perform special diplomatic assignments in other countries."

According to a *Reuters* dispatch, in 1961 then Justice Minister Ricardo Faura issued an opinion declaring Romualdez free from any constitutional limitations, elective officials being appointed to other government posts.

All three would have been true except that both the constitution and the legal opinion were void. Before the Constitutional amendment "unless otherwise provided by law."

The *Reuters* dispatch further quoted MP Arturo Tolentino, who was kicked out of office as attorney minister last March, as saying that before the amendment "prohibition in the Constitution was absolute and did not allow even a law creating exception."

WHILE this exemption order is enough for Romualdez to remain as ambassador for the time being, there is a possibility that his term may not be extended if it expires next March.

It was pointed out that Romualdez' term provided "one year automatic extension." The *Business Day* article quoted KBI secretary general Jose Roda as saying that Romualdez was not "appointed" but rather "designated" to the position and therefore, according to this line of thought, Romualdez' appointment as ambassador was a temporary one.

Sources in the foreign affairs ministry claim that there have been indications that the Romualdez camp is eyeing the position of minister or at the very least deputy minister as a way out of a potentially sticky situation.

No one from the Aguinaldo office, where Romualdez holds court as head of the Philippine-American Business Development Council was inclined to comment on these ideas. A source said, however, that the ambassador was visibly ticked by the *Business Day* report.

ROMUALDEZ was appointed as special envoy to Washington in 1946, and in 1948 he was designated ambassador extraordinary and plenipotentiary to China and later on to the Kingdom of Saudi Arabia, all these while he was still governor of Leyte.

In 1953, he won a seat in the national assembly which he has kept vacant three past sessions. However, a recent report states that Romualdez might be compelled to take his seat as a provision on the proposed election code will automatically declare a Batasang Pambansa seat vacant six months after the winning candidate fails to take the position. Sources say this might prove the way for another escape route and put Romualdez within reach of Executive Order and therefore, no demand necessary.

The top position in the ministry is currently being occupied by Acting Minister Federico Castro, a career official, knowledgeable about his business, sources say, but who has reportedly stirred up waters in his own right, even not certain questions to label him as "too above" for the position.

A source says that Castro has "not shown much interest" in commerce in general. Castro has reportedly been quoted as saying that commerce has the reputation of being a "losing" investment for Filipinos because of its association with a much international sector such as what happened to Carlos P. Romualdez.

Insiders speculate that one other plan would be for Romualdez to give up his position as ambassador, and still live as deputy minister and Castro as permanent minister. But a source commented that the chances of Romualdez giving up his position are far-fetched unless something better comes up and that Castro's "abroadness" may in the long run prove to be an "embarrassment."

Meanwhile, the issue has been further compounded by widespread speculation that Justice Minister Blas Ople is likewise running for the position. According to observers, he has been dropping hints that he is interested in the position.

For instance, in a letter to Batasang Speaker Nemesio Yonez last Sept., Ople urged the Batasang to discuss with the President the issue of adjusting the composition of the Cabinet as mandated by the Constitution. The composition was disrupted when Tolentino was sacked and Castro stepped in.

The Constitution states that the Cabinet must be composed of 10 elective members to the Batasang, and eight non-elective members.

When Tolentino left the ministry, the number of elective ministers went down to nine. When Castro was made acting minister, the number of non-elective ministers decreased to one.

Ople suggested that the president either appoint one of the Batasang members to the position or replace one of the non-elective Cabinet members with someone who has been elected to the national assembly.

He is a long shot for the position, observers say however, for as long as Romualdez is not relieved of his problem. Then again, both men may be preoccupied by the fast fading candidate but whose name has long been brushed about: First Lady Imelda Marcos.

JOANN BAYONA CRUZ

PHILIPPINES

BAQUIO-BENGUET OPPOSITION ALLIANCE REPORTED

Quezon City ANG PAHAYAGANG MALAYA in English 2 Nov 85 p 8

[Text]

Two days after the signing of the Peace and Summits, a grand alliance was formed among various groups opposing the Marcos administration.

A coalition of opposition groups, including the National Union and other national organizations, was formed on Nov. 2 at the University of the Philippines. Among the groups and leaders who took part in the formation were the National Union and the National Union.

The formation of the alliance was reported to be a significant step in the development of the opposition movement in the Philippines. It was said that the alliance would coordinate the activities of the various groups and leaders in the opposition movement.

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CSO: 4200/290

["9 PTS 12 EMS" by Marichu C. Lambino: "Of Guns and Bullets"]

[illegible]

On 18 Nov. 1978, the Joint US Military Advisory Group (JUSMAG) which "studied strategic, staff, tactical, logistical, training, and intelligence considerations for the AFP" thereby ensuring continued support for AFP (Cited in The Navy, *Our Investments, Some Indirect*).

According to Director Little (Study Report, 3 July 1978): "... It now costs the government \$5 per bolt; food by soldiers, \$15,000 per hour for gasoline to send our plane to a mission, and \$100,000 million to buy one fighter plane..."

The two soldiers killed at the US Embassy (1978) must have cost the entire a look more than 10 pesos, the 20 soldiers at Tacloban and 21 injured must have cost about a little more than

and more.
The volume and the US commitment have "been nearly constant" at least of the government's effort to be "consistent" about military policy, which means consistency and unpredictability in economic aid.

But, if the terms of US aid have been much more than a few pesos for one of the men, women, and children, then what better? In that case, would they

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PHILIPPINES

MARCOS FREES 12 DETAINEES

Quezon City ANG PAHAYAGANG MALAYA in English 4 Nov 85 pp 1, 6

[Text] President Marcos has ordered the immediate release from detention of 12 detainees until the end of Presidential Commission (PDC) and the PDC is held. The PDC is the body that will investigate the 1983-1984 period of martial law. The PDC is the body that will investigate the 1983-1984 period of martial law.

The 12 detainees released were the former PDC members: Nilda Lacerda, Pardo Quirano, Rolando Sison and the Manila Mayor.

Heard with the lifting of the PDA against him was Eusebio Lirio.

The 12 detainees were granted complete freedom by the PDC. The release through the PDC is the first time that the PDC has released detainees.

The 12 detainees were: Eusebio Lirio, Pardo Quirano, Rolando Sison and the Manila Mayor.

On Oct. 19, 1985, in connection with the PDC, the PDC released 12 detainees. The PDC released 12 detainees.

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PHILIPPINES

PANAY STUDENT ACTIVISTS FACE PREVENTIVE DETENTION

Quezon City ANG PAHAYAGANG MALAYA in English 1 Nov 85 p 9

[Text]

Seven ranking members of the regional chapter of the League of Filipino Students in Panay are facing Preventive Detention Action orders by military officials.

Sources identified those to be served with PDAs as Jerry Porquiza, chairman of LFS Panay; Jimmy Castellano, vice-chairman; J d Pura, secretary-general; and Rowena Torralba, deputy secretary-general.

Three other students are also included in the list.

In a statement, the LFS in Panay called the move by military officials as "an attempt to crush all campus groups and progressive students," organization that has stood at the very forefront of the recent protest movement in Panay.

"The charge is definitely a threat of

the military officials' imaginations," Porquiza was quoted by the statement as saying. "We from LFS Panay know that the military will stop at nothing to prevent the escalating protests of the students against a rotten educational system and even against a bankrupt society perpetuated by a fascist regime."

Porquiza, 25, is a leading figure in Panay's protest actions. He was detained four times this year for leading massive protest actions in the island against military abuses and violation of basic students' and people's rights.

During a dialogue between protest leaders and military officials last Oct. 2, in which was aired over the city's various radio stations, RUF General Director Antonio de Guzman allegedly warned the students of arrest.

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CSO: 4200/290

PHILIPPINES

MINDANAO NPA ESCAPE ENCIRCLEMENT

Quezon City ANG PAHAYAGANG MALAYA in English 6 Nov 85 p 9

[Text] Cagayan De Oro (MNS)--NPA guerrillas who have been earlier pursued by crack military troopers are now presumed to have retreated into the remote eastern part of Claveria, outside of the military's encirclement. Pockets of harassment teams have been reportedly left to meet advancing government troops--a strategy they have employed in the past.

Because of its high elevation and rugged terrain, Claveria has long been suspected to be the lair of the NPAs.

The Army high command here said that the leadership of the CPP-NPA in north and central Mindanao is holed out in the area, in 14 barangay formerly controlled by them.

Moreover, reports said that the civil and military authorities have sent dozens of informers into the area, but only a few of them have come back to tell their tale.

Local conditions have occasionally compelled military authorities to enforce unpopular measures such as food rationing and transportation blockade.

Last June 17, Scout Rangers and militiamen, backed by artillery, mounted a large-scale offensive in barangay Pelaez, Tipolehon, Bulahan, Parabugay, Empakibil, Mat-1, Apuskahey, Luna and Madaguino. They initially reported having overrun two NPA camps, killing 47 rebels.

An Integrated Bar of the Philippine-led fact-finding mission that entered the place two weeks later, however, gathered that aside from the mass evacuation that took place, 30 roadside houses were burned, while 9 civilians were killed and 8 others missing during the military foray.

Sketchy reports gathered by the fact-finding mission said that a platoon of rangers which broke up into two groups later figured in a misencounter after they were attacked by an NPA team. Another platoon suffered an undetermined number of dead when they were similarly harassed. Authorities have not verified this report.

So-called "Tiger traps" were reportedly used by the rebels during the offensive.

A truckload of fleeing Army men allegedly fell into one of these traps after their vehicle was cornered in a steep road.

On Sept. 1, a band of insurgents commandeered several public jeepneys and attacked a military post in San Juan, killing two militiamen.

The attackers also suffered an undetermined number of casualties.

Meanwhile, in Balingasag town, Mayor Porferio Roa echoed calls to alleged NPA supporters in Upper Balingasag and Claveria to come down and surrender.

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CSO: 4200/290

PHILIPPINES

ATTACK ON DAVAO POLICE STATION PROMPTS SPECULATION

Quezon City VERITAS in English 10 Nov 85 p 9

[Article by Carolyn O. Arguillas: "Attack on Central Police Station"]

[VERITAS subslug: "Was the Raid an NPA Operation or Merely a Vendetta Attack by Soldiers?"]

[Text]

THURSDAY, Oct. 17. A group of unidentified armed men in a red Toyota jeep with no plate number parked along Magway Park in Davao City at about 10:15 in the evening, and stepped in front of the Central Patrol Station (CPS) — the town's police station in the city. The men inside the jeep opened fire for about 15 minutes, then sped off.

A team was immediately dispatched to pursue the armed men, but it was too late.

Injured was Patrolman Luis Refollo who was hit in the leg. Also hit were the blackboard, the bulletin board, the radio, and even the uniform of the Station Commander, Police Maj. Elnor Mendez, which was left to dry in the room.

Metropolitan Chief C-4 Commander Kahuogan ordered the investigation of the case.

Friday, Oct. 18. Jeepney passengers passing by the Central Patrol Station did not fail to notice the bullet holes, made more obvious not only by their size, but also because of the white chalk marks encircling them. Police counted over a hundred holes and recovered 82 M16 and 7 Thompson shells.

The patrolman on duty received a call from a man who identified himself as a member of the New People's Army (NPA). The caller informed the police that the NPA was in no way involved with the previous night's incident.

Saturday, Oct. 19, Kahuogan told members of the press that the case is still under investigation. Primary suspects, he said, were "the NPAs."

Meanwhile, the *Manila Daily Mirror* in its editorial that day said that there was "enough cause to the suspicion that the eye. Said the *Mirror*: "The incident was evidence enough not only for the police men guarding the station and Chief Commander D. Kahuogan, under whom they are serving, but an affront to Brig. Gen. Dioniso S. Legaspi (Regional Commander). It is of public knowledge that the men of the Central Patrol Station and certain military elements have no love lost for each other. Some months back, two men of the RPLM XI - R-2 unit (intelligence) were gunned down by cops in front of the station. Could the latest incident be a form of retaliation? The incident, unless it is

proven that terrorists did the shooting, is another black mark on the image of our law enforcers..."

"If there is any *shoot no look* between police and the PC, that's personal," Kahuogan said. "It is the NPA who did the job," stated Kahuogan. "They are building a rift to weaken our men from fighting insurgency. You see, the CPS is the most busy and the most effective deterrent against criminality and violence."

Regional Command officer of the R-2 who asked not to be identified told *Veritas* that he believes the "shoot-no-look" incident "is a scheme of the CTF to plant a wedge between the PC and the INP." The assault, he said, is part of a plan dating as far back as two years ago to create rifts between the forces that back the government. "There is no basis for saying it could be a retaliation on the part of the R-2. What is their basis for saying R-2? It is very elementary. The R-2 police is fighting a public law struggle. If I were the enemy, I'd exploit that."

Reporters asked if the military, by saying that the shooting incident was the handiwork of the NPA, was in effect admitting that the NPA had now gained enough ground to enable them to use greater resources such as obtaining a jeep, stop for around five minutes and waste about a hundred bullets, Kahulogan replied. "That's not waste! That's power! The effect of the propaganda is big because it (the Station) is in the heart of the city." The RUCOF officer also told *Veritas* he does not think firing a hundred bullets a waste. "If I were the enemy, I'd spend millions to do that. If political impact is great."

Others, however, think differently.

Veritas sources in police uniform who asked not to be identified said they do not believe the incident was perpetrated by the NPA. "They cannot afford to waste about a hundred bullets. If the assailants were indeed the NPA, they could easily have entered the station, fired on the policemen, and grabbed the latter's firearms. If the incident was done by the NPA, tell me, for what purpose? No one was killed."

The same sources confirmed that there is indeed an acknowledged rift between the PC and the police. On July 13 this year, the first shooting incident occurred. Two RUCOF agents died. The PC claimed they were in the area on a military operation but the police insisted that they were fired upon so they had to return fire. The other incidents involve basic police work, such as confiscating the license of a traffic violator, who turned out to be a friend of a PC captain. The confiscated license, which was now in the hands of the police, was allegedly taken forcibly by the military.

Another incident involved a young PC lieutenant whose brother-in-law was arrested by the po-

lice for illegal possession of firearms. The firearm turned out to be military-issued. The young lieutenant, with 10 of his men, went over to the Station and reportedly mauled the patrolman on duty. He later said he wanted to get back the gun.

Although the latest incident is still under investigation, the military has been rather quick at pointing to the NPA as the culprits. The intelligence officer even said that the local media was being "spoonfed" by the NPAs on what to say and write.

Kahulogan's press statement also read. "Some news reporters had better brush up on their notes before thinking morbid (sic)" he joked. "Be factual, at the least," he cautioned. "Otherwise, the next thing you'll know, both criminals and communist outlaws will be breathing down your necks."

Replied the *Veritas* sources: "The local media was just reporting what happened. They did not say the NPA is very strong hereabouts. The military itself implied that the NPA is strong. After all, who said the NPA could waste about a hundred bullets? The local media didn't. The military did." — CAROLYN O. ARGUEL-LAS

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CSO: 4200/290

PHILIPPINES

NEGROS PC COMMANDER: CHDF SPONSORED BY PLANTERS

Quezon City ANG PAHAYAGANG MALAYA in English 7 Nov 85 pp 1, 3

[Text] Negros Occidental PC commander Col. Arnulfo Obillos yesterday admitted that certain sugar planters and civilian organizations have been "sponsoring" the maintenance of some militia forces in the province.

Resuming his testimony at the hearings being conducted by the multi-sectoral Human Rights Finding Committee (HRFC) probing the Sept. 20 killings of at least 27 demonstrators in Iloilo, Negros Occidental, Obillos said, however, that all the Civilian Home Defense Forces in the province are under his operational supervision and control.

Questioned by HRFC member lawyer Jose Bengzon Jr. representing the Philippine Bar Association, on how the CHDFs draw their salaries, Obillos said the payrolls were generally turned over to the "control team leaders" who are usually organic military personnel.

Obillos also said that salaries of three units of CHDF in the province were being covered through help by the sponsors, including those of Cadiz and Sagay towns in northern Negros Occidental.

He also testified that there was no accounting of such expenditure on the sponsoring entity.

Obillos, who had been PC chief for Negros Occidental for less than two years, told the panel that he personally knows former Congressman Arnaldo Gasilo who was earlier reported to have a hand in the deployment of CHDF men as crowd control units last Sept. 20 in Iloilo.

A source told Malaya that the HRFC wanted to put Gasilo on the witness stand, but the commission is not out of the country.

The panel wanted to determine if Gasilo accepted for the command of the CHDF unit from Cadiz to Iloilo last the week ended.

During the hearing, he alleged it was shown that CHDF men entered the site of the demonstrators' rally, and that an officer on the victory of the town hall. Witnesses interviewed by HRFC said men in uniform mounted on a truck were the ones who opened fire.

Obillos said, however, that he had not known any person who had been involved in the Sept. 20 killings in Negros and that he could not recall.

The source also said he knew a member of the Philippine Military Police who revealed that he did not know the movement of the CHDF units. He was not in the area of the killings.

He also said he was not on who called the Iloilo-Sagay was active in the area of the killings.

But he admitted that they had always been "serving" "urgent" requests and maintaining relations with the army, police and other agencies.

Asked by Bengzon about the possibility of an ongoing investigation, he said he was not a CHDF member.

Obillos also testified that he was not a CHDF member.

PHILIPPINES

SPOT MARKET OIL PURCHASES, SAVINGS REPORTED

Quezon City ANG PAHAYAGANG MALAYA in English 5 Nov 85 p 6

[Article by Rosa Ocampo: "Cheaper Oil Products--Gasoline, LPG--May Result"]

[Text]

Almost 100 per cent of the country's crude oil requirement are now purchased either from the spot market or on a "market-related basis," which are both cheaper than the OPEC oil government selling price.

Since 1984, roughly 90 per cent of the state-owned Philippine National Oil Co. has been following the lead of the private firms of Shell and Caltex in buying crude oil on spot and on a market-related basis, sources said.

Either way, supplies the country to save on oil import bills, which, in some instances, could lead to a saving of as high as \$1 per barrel of imported oil.

The "market-related" crude oil purchase is an old concept that started with the four American oil companies, but was adopted by the Philippines only recently.

Market-related purchases usually, the spot market but sometimes government to government contracts and is usually priced on a long-term basis, sources said.

Sources said the Middle East trip of Energy Minister Gerardo Velasco last September obviously produced the desired result. The Philippines was able to make a pact with four oil-producing countries to supply oil on a market-related basis.

Market-related purchase price is cheaper than the government selling price which is set by the Organization of Petroleum Exporting Countries. It could be noted that PNOC used to maintain an adequate percentage of its

oil import purchases on a contract to government contracts as a hedge against possible drastic price increases in the near future.

Sources said China, a non-OPEC member country, has agreed under the market-related purchase to supply the Philippines crude oil at the prevailing government selling price of selling about \$10.80 per barrel on a credit term of 60 days instead of the usual short-term period of 30 days.

Even as the crude oil bourse is set at the government selling price, the Philippines still saves on oil import bills because of the longer credit repayment period.

Three OPEC member countries have also agreed to supply crude oil on a market-related basis, but sources did not reveal the formula adopted for these particular purchases.

Sources also said there is an increased demand for crude oil which tends to push up the spot market prices.

This trend is brought about by the winter season where oil consumption is usually higher and the low inventory of consumers in anticipation of further drop in oil prices.

Expectation of oil price drop came amid forecasted OPEC talks in late Vienna tomorrow.

Sources said latest trading has shown that the spot market price of Arab light, which is refined to produce gasoline, is now the same as the government selling price of \$28 a barrel.

While the spot market price for Arab medium, which is refined to produce diesel oil, is usually a dollar cheaper, the latest trading reveals that it is now cheaper than the government selling price by only \$1.25 to \$1.50 a barrel.

Spot market prices are firming up because of the strong market demand. Any softening in prices could only be felt towards the end of the first quarter next year.

Sources said it has no immediate effects on the domestic oil prices in the Philippines because, aside from market-related purchasers, there is also a hedge for any drastic oil price increase in the form of the oil price adjustment fund of 16.9 centavos per barrel of oil sold.

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CSO: 4200/290

PHILIPPINES

BRIEFS

PNG'S SOMARE GOVERNMENT--Indonesia expects that the new government of PNG will be maintaining the existing bilateral relations between the two neighboring countries. Commenting on the fall of PNG Premier Michael Somare's Government, the Indonesian foreign minister, Mokhtar Kusumaatmaja, said in Jakarta yesterday that he has no comment except hoping that the new government of PNG will maintain the existing good relations between the two countries. Premier Somare was defeated in a no-confidence vote in Parliament yesterday after firing his defense minister over a split in his ruling coalition government. The PNG Parliament elected the opposition leader, Pias Wingti, to replace Mr Somare yesterday as the new premier. [Text] [Jakarta International Service in English 0800 GMT 22 Nov 85 BK] /12232

CSO: 4200/299

SINGAPORE

BRIEFS

INVESTMENT WITH PRC--The Ministry of Trade and Industry says the investment protection agreement signed between Singapore and China yesterday guarantees free transfer of capital [words indistinct] and investments in accordance with their laws and regulations on a nondiscriminatory basis. The agreement will be valid for 15 years and will be automatically renewed unless either party should elect to terminate it. In a statement, the minister says the agreement will only apply to investments which all participants approve in writing by the competent authority of either party. Its provisions will also cover investments made before the agreement. The agreement provides that expropriation or nationalization could only be made under [words indistinct] of law or upon appropriate consultations. The agreement was signed by the minister of state for trade and industry and defense, Brig Gen Lee Hsien Loong, on behalf of Singapore and the vice minister of China's Ministry of Foreign Economic Relations and Trade, Mr Wei Youming. [Text] [Singapore Domestic Service in English 1300 GMT 22 Nov 85 BK] /12232

CSO: 4200/301

THAILAND

EDITORIAL HAILS INDEPENDENT'S ELECTION IN BANGKOK

BK150312 Bangkok BANGKOK POST in English 15 Nov 85 p 4

[Editorial: "Voters Turn to an Honest, Pious Man"]

[Text] What a sensational election triumph!

Despite his lack of affiliation with any major political party and the absence of strong financial backing, Maj-Gen Chamlong Simuang won the Bangkok governorship by a landslide after a low-key campaign which stressed his proved record as "a clean man with a high standard of morality." His victory demonstrates the wish of Bangkokians to put a man of integrity and piety in charge of their city for the next 4 years who, they hope, will be able to get rid of all irregularities and improve the efficiency of city officials. His victory also points to the fact that it is not necessary for a person to run under a prestigious political party banner nor dump money or vilify his opponents in order to win the election.

'Maha' Chamlong, who resigned from the army 3 days after he was promoted to the rank of major general, quickly emerged as a front runner and major rival to the Democrat Party's candidate, Chana Rungsaeng. Often referred to by his Democrat rival as "the man who comes alone," Chamlong rapidly gained the support of people from all walks of life, including many labour groups, who either voluntarily campaigned for him or donated money to assist in his campaigns.

Although he gained some administrative experience when he served as a secretary-general to Prime Minister Gen Prem Tinsulanon, a post he relinquished when he became embroiled in a bitter controversy over a proposed abortion law, his lack of a long and proven record in administration did not cost him public support. This was almost certainly due to his high moral standards and piety in strictly practicing the eight teachings of Lord Buddha.

Nor was his campaign affected by Democrat-inspired contentions that because his independent Ruam Phalang Group had failed to field candidates in the Bangkok City Assembly elections it would be impossible for him to run the Bangkok Metropolitan Administration. He countered his argument by saying that he would dissolve the City Assembly and resign to pave the way for new elections if he failed to receive cooperation from the City Assembly.

Now "the man who comes alone" has been elected to the City's top post and commands an "army" of about 43,000 city officials and employees. Whether he succeeds in solving the major problems confronting Bangkok such as traffic congestion, irregular garbage collection, flooding and lack of general cleanliness, remain to be seen, but one thing is certain. He is a man of integrity who always gives his best, as his own man and in his own unique way.

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CSO: 4200/276

THAILAND

RESCUE PACKAGE AGREED ON FOR TIN INDUSTRY

BK190121 Bangkok BANGKOK POST in English 19 Nov 85 pp 15, 17

[Text] Three government agencies yesterday agreed on a major rescue package including the much-sought-after cut in royalty and taxes in a bid to enable the country's tin industry to survive the current tin crisis.

Finance Minister Sommai Huntrakun and senior officials of the Department of Mineral Resources (DMR) and the National Economic and Social Development Board (NEDSB) agreed in principle to the rescue package during a meeting yesterday at the Finance Ministry.

Emerging from the meeting, DMR Director General Siwawong Changkhasiri said details of package would be reviewed by the government agencies concerned before submitting to the Council of Economic Ministers for approval on Monday.

The rescue package was announced a few hours after Industry Minister Dr Chirayu Itsarangkun na Ayutthaya and the Thai delegation which returned from the International Tin Council (ITC) meeting said they were "gloomy" about the prospects of ITC striking an agreement over the current tin crisis.

"I admit I feel pretty gloomy about the tin prospect and there is no indication that any accord could be struck. That is the reality that we have to face," said Dr Chirayu after being briefed on progress of the ITC emergency meeting in London last week by the Thai team led by Mr Siwawong.

Mr Siwawong, who returned from London on Saturday, said that "there is no progress" in the talks and "no agreement is seen."

The DMR chief said he decided to return to Thailand as he did not see any use in staying there longer even though the beleaguered ITC's meeting was still in progress. "Everyone attending the meeting seemed to have the same feeling--that the chance for an agreement was slim," Mr Siwawong said.

He said a reduction was expected to be made in three of the four categories of financial burden local tin miners have to bear, i.e. royalty, business and municipal taxes, and the so-called "special fee" which is earmarked for purposes like revitalising the land of old mines.

The only exception is expected to be the fund contribution requirement to ITC's buffer stock mechanism under the fifth and sixth International Tin Agreements, Mr Sivavong said.

Thailand is to contribute 10.6 million pound sterling and 15.145 million pounds to support ITC's crippled buffer stock, whose operation is now suspended after running out of money last month.

It was unclear yesterday whether the government would accept the formula for a royalty reduction as proposed by the Mining Industry Council [MIC].

The proposed formula is based on the collection of possible declining tin prices in the world market and to waive the collection if the tin price falls to M [Malaysian] \$23 per kilogramme.

MIC has branded the cut in royalty as the only "surviving" measure to help miners make it through the present crisis.

Thailand, it said, has the highest royalty rate in the neighbouring ASEAN producing countries--Malaysia and Indonesia--of about 30 percent of tin prices.

Minister Sommai said the cut in royalty and taxes would affect the government's revenue [words indistinct].

With respect to ITC, Mr Sivavong said representatives of the 22-member organization were scheduled to hold another meeting tomorrow in London "to give ITC its final opportunity" to come up with a solution which he said was "dim." Thailand will be represented by a senior Thai official in London.

At last week's meeting, Mr Sivavong said ITC members refused to give a creditor group of 16 financial institutions, which ITC owed about 340 million pounds, a collective financial commitment for the new proposed rescue package as the offered terms were found to be too harsh. The rescue package involves a sum of about 900 million pounds.

Also last week, ASEAN producers, including the world's three largest tin producers--Malaysia, Indonesia and Thailand--had backed down from its plan to submit a collective proposal aimed at solving the crisis.

The proposal was not submitted to ITC after Jakarta had said it was "not in the position to approve" it, even though Thailand and Malaysia had endorsed the plan.

In a related development yesterday, Thaisarco, the country's only major tin smelter, announced that the company will not be in a position to allow ore vendors to price their tin concentrate in the current period when the world's two major tin trading forums, the London Metal Exchange and Kuala Lumpur Tin Market remained closed.

It is anticipated that when the markets resume operation, trading arrangements will be subjected to certain restrictions. Thus, the pricing mechanism to be used with ore vendors may have to be adapted to the new system, it said.

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CSO: 4200/276

THAILAND

OFFICIAL SAYS TEXTILE MOVEMENT INFILTRATED

BK090213 Bangkok BANGKOK POST in English 9 Nov 85 p 1

[Text] Special Branch commander, Police Maj-Gen Kasem Saengmit, said yesterday that some political elements who had infiltrated the textile labour movement had recently tried to demand that the government pardon the 40 military officers and civilians on trial in connection with the 9 September coup.

These politically motivated groups, he said, intended to stir up trouble and bring about political changes in the country.

The commander told the BANGKOK POST in an exclusive interview that the Special Branch had learned of the infiltration and successfully talked textile workers out of rallying in front of Government House last month.

He added that politically-motivated elements were found mingling with textile workers during a recent protest at the U.S. Embassy.

The general said that some of them were seen brandishing posters attacking the United States while the textile workers were seeking a reprieve from the U.S. Government through its embassy here.

Major-General Kasem said, however, that police had the situation under control and had managed to defuse potential political tensions.

Commenting on persistent rumours of impending political changes, the Special Branch chief said the authorities are keeping a close watch on the situation.

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CSO: 4200/276

THAILAND

PAPER COMMENTS ON GARMENT TRADE DECISION

BK130355 Bangkok THE NATION in English 13 Nov 85 p 4

[Editorial: "Thai-U.S. Friendship Stands the Test of Garment Crisis"]

[Text] The Foreign Ministry and the three-man high-level official team, headed by Permanent Secretary Asa Sarasin which went to Washington last week, have to be congratulated for impressing on the U.S. administration the crisis situation that has arisen in this country because of the embargo on the export of garments. Technically the United States was possibly right in enforcing the embargo but, unfortunately, technicalities have a way of melding with economic and political issues.

Ever since the embargo went into force the Thai Government was under very serious pressure from the garment industry. Normally, the government could have handled the matter without facing any serious problems but since last year Thailand's economic and fiscal problems have been steadily on the rise. If this situation is injected the problem of the garment industry which, if deprived of export, will have to lay off workers which will mean thousands losing their means of sustenance, even the political situation within the country might get out of control.

While congratulating the three-man team for frankly and forcibly presenting Thailand's case and explaining why the embargo should be lifted, we must also credit the U.S. administration with showing sympathetic understanding of these countries problems. The United States also understands that Thailand is a pivotal country in Southeast Asia because she is the frontline state in the Kampuchean conflict which one phase of Soviet expansionism--Beijing will call it regional hegemonism subservient to global hegemonism. [sentence as received]

While long-standing Thai-U.S. friendship has helped us bridge this crisis, others are waiting in the wings. The Jenkins Bill has passed the House of Representatives and a watered-down version of it, the Thurmond Bill, has passed the Senate--but both of them did not secure large majorities. Up to now we have taken the position that there is little for Thailand to worry about these bills. President Ronald Reagan being a stalwart supporter of free trade will veto these bills as he himself has said and neither house of congress will be able to drum the majority necessary to override the veto.

An interesting development took place during the height of the garment crisis when the Soviet Union stepped in and said that it will absorb the glut by purchasing the garments which were prevented from being exported to the U.S. fishing in troubled waters (or should we say, 'mining troubled waters?') is a favourite Soviet pastime but we should not dismiss Moscow's offer as such. Possibly there is a Soviet need to import garments, and that line should be followed up. Thailand is quite capable of producing more garments that she will be shipping to the United States and the Soviet Union should not be ignored as a market.

It is also necessary to pursue this line of trade for another reason. It will establish once and for all whether the Soviet Union was genuine in making the offer to import Thai garments or whether she was only trying to make some political capital out of it. Just because the United States is lifting the embargo on Thai garments, it is no reason why we should not explore the Soviet market. The more outlets we have for our products--raw materials or manufactured goods--the better it is for our trade and economy so long as no political strings are attached.

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CSO: 4200/276

THAILAND

BRIEFS

TIN MINES THREATENED--The 48 southern tin mines have closed or are on the verge of closure because of the crisis in world tin markets, according to the chairman of the Mining Industries Labour Federation of Thailand, and workers in the industry are contemplating protest action. [Words indistinct] said that the federation submitted a letter to the government last Wednesday demanding the abolition of mining royalties, special promotional pricing for oil supplied to the mines, and speedy action to help solve the tin crisis. The letter said that the matter should be raised in the cabinet urgently. Chalong said that the livelihoods of 20,000 people employed in mining industry, mainly in the southern provinces of Ranong, Nakhon Si Thammarat, Phangnga and Phuket, are threatened by the crisis which has [been] brewing since 1982. He said that many of the 48 mines had already closed, and all of the remaining mines have reduced their working hours. He blamed the Sixth International Tin Agreement and the export quotas it imposed on Thai exports for the depression. [Text] [Bangkok THE NATION in English 13 Nov 85 p 25 BK] /12232

VIETNAM TO RELEASE FISHERMEN--Vietnam has agreed to free 307 Thai fishermen held prisoner since 1983, the Fisheries Department deputy director-general said yesterday. Dr Plotprasop Suratsawadi said yesterday the first group of 157 fishermen would be flown from Vietnam to Bangkok on 20 November on a Thai Airways Co flight. The remaining 150 would be returned 2 days later. Dr Plotprasop said the arrangements and air fares would cost the government about 6.8 million baht. He asked that relatives and employers of the fishermen prepare documents for submission to immigration police on their arrival. [Text] [Bangkok BANGKOK POST in English 14 Nov 85 p 3 BK] /12232

HELD FOR CITIZENSHIP CHECK--Nong Khai--A group of 79 Thai villagers have been in police custody for more than 9 months awaiting a decision about their nationality. The BANGKOK POST was told yesterday that the villagers were being held pending a decision from the Interior Ministry. One of the detainees, Mithong Doisitthi, 67, said the group has lived in Vientiane for several years and fled to Pak Khat sub-district on 13 March. Mr Mithong said the group, which comprises natives of Udon Thani, Nakhon Ratchasima and Nong Khai, had given police and officials documents proving their Thai citizenship as well as expired ID cards. He said the immigration police were satisfied with the documents and were still awaiting permission from the Interior Ministry to order their release. [Text] [Bangkok BANGKOK POST in English 16 Nov 85 p 18 BK] /12232

CSO: 4200/276

PEOPLE'S REPUBLIC OF KAMPUCHEA

COOPERATION BETWEEN NGHIA BINH, RATANAKIRI REVIEWED

BK210535 Phnom Penh SPK in English 0450 GMT 21 Nov 85

[Text] Phnom Penh SPK 20 November--Cooperation between the northeastern Kampuchean province of Ratanakiri and the Vietnamese sister province of Nghia Binh started soon after Kampuchea's liberation in 1979 and has showed marked progress in the past few years.

In the first days of liberation Nghia Binh supplied Ratanakiri with 150 tonnes of rice, 50 tonnes of kitchen salt, and hundreds of tonnes of household utensils, school materials and consumer goods; it also gave the Kampuchean Province 300 tonnes of seed rice and 1,000 coconut saplings for the restoration of agriculture.

From Nghia Binh, hundreds of cadres and technicians have come to help in making basic surveys and in building a saw-mill, a [commuter] station, warehouses, the office of the People's Revolutionary Committee, and other constructions totaling 1,680 square metres.

Vietnamese experts have also made conducted surveys for rebuilding on cooperation in rubber exploitation and forestry. [sentence as received]

Special attention has been attached to cooperation in professional training. The Qui Nhon Polyclinic in Nghia Binh has trained many sanitary workers for Ratanakiri. Moreover, 194 Kampuchean mechanics, construction workers and teachers have attended refresher courses in the Vietnamese province.

Since 1981, trade exchanges between the two provinces have increased steadily. In 1985 they totalled 4 million dongs (Vietnamese currency).

Ratanakiri sells Nghia Binh sesame, coffee beans, groundnuts, in exchange for construction materials and consumer goods.

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CSO: 4200/294

PEOPLE'S REPUBLIC OF KAMPUCHEA

SIHANOUK, SKV ON PROSPECTS FOR CAMBODIAN PEACE TALKS

PM131736 Paris LE MONDE in French 9 Nov 85 p 12

[Dispatch by Jacques Bekaert: "The Start of Negotiations Is Coming Up Against 'the Intransigence of Hanoi and Beijing'"]

[Excerpts] Bangkok--The success achieved at the United Nations by Prince Sihanouk's coalition government demonstrated that military success is not always accompanied by diplomatic victories. Indeed, Hanoi had hoped for a time that the fall of most of the Khmer resistance's border bases during the last dry season would erode the political position of a government which, according to Vietnam, no longer has control of any territory inside Cambodia.

In addition Vietnamese Foreign Minister Nguyen Co Thach, who did not deem it useful to come to New York, nonetheless sent a letter to many heads of missions accredited to the United Nations at the end of August expressing his satisfaction "with the latest developments in the situation in Southeast Asia." The minister referred to the progress made in negotiations on the subject of American soldiers who vanished during the Vietnam war, to which Washington in fact attaches great importance but which is of little importance for the settlement of the Cambodian crisis.

A more surprising statement was that "talks have opened between the People's Republic of Kampuchea (Phnom Penh) and groups and individuals from the Khmer opposition with a view to discussing the achievement of national unity on the basis of the elimination of the Pol Pot clique." It was not very difficult for the ASEAN countries' diplomats to explain to their colleagues that these mysterious conversations existed only in the Vietnamese foreign minister's imagination.

Mr Vo Dong Giang, minister without portfolio, who headed Hanoi's delegation to the UN General Assembly, explained to us that "in 2 years Vietnam will be freed from the Cambodian burden." "We will then have withdrawn virtually all our troops because the resistance has virtually been eliminated," he told us in New York last week, adding: "However, we would have to remain vigilant to prevent possible infiltration from the Cambodian border."

On the other hand he said that dialogue was now possible between Phnom Penh and the resistance, aside from Pol Pot and Ieng Sary, the two best known Khmers Rouges.

The Eighth Dry Season

After denying that there was for the time being any secret dialogue between the resistance and the Phnom Penh government, Prince Sihanouk, for his part, expressed to us once again his desire for real discussion among all the Cambodian factions--the only guarantee of reconciliation--and his wish to listen to what the enemy had to say. But, for the time being, Vietnam on the one hand and China and Thailand on the other remain intransigent," he specified.

Prince Sihanouk also complained about the attitude of some countries like France and Australia which "say they want to help us, which certainly like me and treat me very courteously, but which, by dint of trying to be nice to everybody, accomplish nothing." He criticized these two countries in particular for not accepting the reality of the Khmers Rouges' existence ("I do not like them either but you have to be realistic!"), just as he complained about China's veto on any participation by the current Phnom Penh regime in Cambodia's future political life. "One party must be capable of representing Hanoi's interests, otherwise Vietnam will never agree to negotiate," the prince added.

A Chinese diplomat posted to New York confirmed to us that several secret messages had been received from Hanoi. "The Vietnamese are constantly offering to start preliminary negotiations. We are certainly in favor of serious discussion, but not at Cambodia's expense. This is a principled position for us on which we are very strong," he commented.

Another Chinese official told us that the same was true in relations with Moscow: "Our relations with the Soviet Union are better in the commercial and cultural sphere, but not at all in the political sphere, largely because of the USSR's attitude of giving unconditional support and contributing to Vietnam's military occupation of Cambodia."

/9599

CSO: 4219/12

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

LAO NATIONAL DAY--Phnom Penh SPK 20 November--A whole range of mass activities will be organized in Phnom Penh and in the provinces for the 10th anniversary of the Lao People's Democratic Republic (2 December). On 2 December a big meeting will be held in the capital city, so will a get-together, respectively, organized by the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland and the Kampuchea-Laos Friendship Association. Also in the capital city, visits will be paid to the Lao Embassy by delegations representing ministries, public offices and mass organizations. Right now art performances are being given, and photo and painting exhibition will soon open to acquaint the population with the gains of the LPDR over the past 10 years. A competition of songs on the Kampuchea-Vietnam-Laos friendship will be sponsored by the Kampuchean radio and television. Delegations from the provinces bordering on Laos will visit Lao neighbouring districts and provinces and meetings will be held in all provincial capitals. [Text] [Phnom Penh SPK in English 1134 GMT 20 Nov 85 BK] /12232

SRV PROVINCIAL DELEGATION'S VISIT--Phnom Penh SPK 21 November--A delegation representing the socialist labour emulation movement in Quang Nam-Danang Province, central Vietnam, arrived in Phnom Penh Tuesday for an official friendship visit to Kampuchea. The delegation, led by Nguyen Huu Lan, was welcomed at Pochentong airport by Sar Not, deputy cabinet minister, and member of the National Council for Emulation and Decoration, and other Kampuchean officials. During a talk here Wednesday, the Vietnamese delegation and a Kampuchean delegation led by Sar Not informed each other of the emulation movement in each country and exchanged experiences in their own field of activity. [Text] [Phnom Penh SPL in English 1107 GMT 21 Nov 85 BK] /12232

TEACHERS DELEGATION TO SRV--Phnom Penh SPK 23 November--A two-man delegation led by Um Kimphan, director of the Central Teachers School, has attended a seminar of socialist countries on follow-up training of teachers held recently in Ho Chi Minh City, Vietnam. The other delegations to the seminar which was sponsored by the Vietnamese Ministry of Education, represented Poland, Bulgaria, Cuba, the German Democratic Republic, Ethiopia, Hungary, Laos, the Soviet Union, Mongolia, Czechoslovakia and Vietnam. According to VNA the seminar was chaired by Vietnamese deputy minister of education, Nguyen Chanh Toan. [Text] [Phnom Penh SPK in English 1110 GMT 23 Nov 85 BK] /12232

VIETNAMESE, LAO DELEGATIONS VISIT--Phnom Penh, 14 Nov (SPK)--Two delegations, one from Vietnam and the other from Laos, arrived in Phnom Penh on Tuesday for the second conference of the cooperation subcommission in the field of communications among Cambodia, Vietnam, and Laos. The Vietnamese and Lao delegations, led respectively by Nguyen Nam Hai, deputy minister of communications and transports and president of the Vietnamese subcommission, and Bouasi Lovansai, deputy minister of posts and telecommunications and president of the Lao subcommission, were greeted on their arrival by Chhim Seng, deputy minister of communications, transports, and posts, and other officials. [Text] [Phnom Penh SPK in French 1214 GMT 14 Nov 85 BK] /9599

CSO: 4219/12

PARTY ACTIVITIES AND GOVERNMENT

PARTY CONFERENCE DISCUSSES POLITICAL BUREAU RESOLUTION 28

Hanoi HANOI MOI in Vietnamese 4 Oct 85 pp 1, 4

[Unattributed report: "11th Plenum of Hanoi Municipal Party Committee Decides Action Program for Achieving Resolution 28 of the Political Bureau"]

[Text] A Municipal Party Committee conference, held on 1 and 2 October to examine Resolution 28 of the Political Bureau on ratifying the price and wage plans and the decisions of the Council of Ministers, was in total agreement with the position of the Party Central Committee of considering "achievement of the Resolution of the 8th Plenum of the Party Central Committee as a process of total, synchronized, resolute and urgent struggle with firm forward progress." Reviewing the tasks completed during the recent past in accordance with the spirit of Resolution 8 of the Party Central Committee and the resolution of the 10th Plenum of the Municipal Party Committee, the Municipal Party Committee unanimously acknowledged that during the past few months, appreciable changes and progress have occurred in all aspects of the situation in the city; the application of price subsidies to wages during August was a success and the currency exchange during September was completed even though these were only transitional steps.

Achievement of the Political Bureau and Council of Ministers decisions on prices and wages has many favorable aspects, the currency exchange has been completed, there are specific positions and decisions from the Party Central Committee on wages and prices, and on market inventory and management, and all classes of the people, especially the cadres, workers and civil servants, are hopeful. Nevertheless, there are difficulties, the economy still has many imbalances, a severe flood occurred recently, and weaknesses in management organization and economic thinking, and the harmful effects of the bureaucratic and subsidized mechanism are still extremely severe. Achievement of the prices, wages and money resolutions is an extremely complex process. It is necessary to fully recognize the favorable conditions while simultaneously fully recognizing the difficulties and fully estimating the temporarily and partially unfavorable economic and social conditions that could occur.

To successfully achieve Resolution 28 of the Political Bureau, the Municipal Party Committee unanimously approved a program of united action, ensuring that the steps in achieving Resolution 28 of the Political Bureau in the city are harmonious, coordinated and effective:

1. On wages: Immediately improve wage procedures in accordance with the new wage system as of 1 September 1985 with the purpose of achieving the following

requirements: assuring labor force reproduction under conditions permitted by the national economy and achieving distribution in accordance with labor and wage unity throughout the nation.

--The payment of wages must be urgently implemented with those units that have not yet completed approval of the new wage table making an October wage period one prepayment equal to the entire September wage price subsidy to workers and civil servants (except for dependents), while simultaneously temporarily including part of the September backpay right in the the October wage period one prepayment. After approval of an official wage is completed, all backpay for September and October will be paid.

--Achieve the repayment of grain and food debts of workers and civil servants made prior to 31 July in October and November; begin settlement immediately during the first part of October 1985.

--At the same time as wage payment and debt repayment are conducted, urgently prepare and implement social subsidization, especially for those with many dependents and the students of vocational middle schools in accordance with the decisions of the Council of Ministers.

Trade, food and drink, and service sectors must prepare sufficient goods for sale in order to maintain prices and must make every effort to ensure the real wages of the workers and civil servants.

2. On prices:

First of all, implement the 0000 1 October 1985 inventory in accordance with the decision of the Council of Ministers on the theme and scope of the inventory objectives with rapid, orderly and accurate achievement of targets and resistance to actions of speculation, material and goods dispersement, and fraudulent record omission.

--Concerning consumer goods and service retail prices, and agricultural product purchase prices.

The Price Committee, Grain Service, and Commercial and Food and Beverage Support Service must supervise immediate setting of retail prices decentralized by the state, including the sales prices of grain, pork, vegetables and service, to serve as a basis for price management. The purchase prices for paddy and other types of agricultural products must be immediately determined in order to achieve prompt requisitioning and purchasing during this tenth-month crop.

For those goods with state retail prices, a plan is necessary for supervising sales price promulgation to avoid upheaval in daily life.

In conjunction with price setting, it is necessary to follow the changing situation of prices on the market and to present methods for maintaining prices and resisting speculative actions that elevate prices and disrupt the market.

--Concerning enterprise wholesale prices: After acquiring new prices and new wages, it is necessary to immediately audit enterprise wholesale prices. This

must be accomplished first in all three types of enterprises, good, suitable and poor, to gain experience for widespread dissemination to other enterprises. Strive by the end of 1985 to complete the audit of enterprise wholesale prices in all state-operated enterprises.

--On capital construction prices: The Municipal Capital Construction Committee must promptly determine these types of prices in order to implement accounting in construction.

--Concerning transportation charges: On the basis of state approved prices, the Price Committee and the Communications and Transportation Service must immediately set rudimentary transportation fees for presentation to and approval by the Municipal People's Committee.

3. Concerning Finance, Currency:

--Financial institutions and banks must promptly decide capital for basic level business and production units. Financial institutions, banks and basic units must subjectively determine the cash fund capital level of enterprises on the basis of the new price levels.

--On the budgets of the city and of wards, districts and district seats: The Finance Service must promptly determine sources of revenue and necessary expenditure items for submission to and approval by the Municipal Party Committee and prompt reporting to the Party Central Committee in order to achieve budget allocations between the central government and the city and among the wards, districts and district seats.

Concerning cash: The Municipal Bank must have a plan and firmly supervise cash distribution, assist the city in actively handling cash circulation in the market, and first of all ensure cash requirements for the circulating capital of basic level business and production units, for wages, and for other needs.

4. Concerning market management:

The requirement of market management work is to resolutely maintain prices in accordance with the new price levels; state-operated facilities must advance to control the market, restrict private commerce and expand commodity circulation; and at the same time, it is necessary to resolutely punish those engaged in speculation, smuggling and other illegal activities to disrupt the market, to halt negative occurrences within the circulation and distribution sectors, and to closely coordinate transformation and market management.

Forbid operations by unlicensed businessmen. Forbid trade in those types of goods under unified state management.

Strictly implement the posting of prices and sales in accordance with posted prices, including both retail and service prices.

A widespread mass movement must be promoted with all consumers participating in efforts to manage the market and maintain prices.

--Resolutely punish those engaged in speculation, smuggling and the production of counterfeit goods, and promptly prosecute criminal cases.

Market management supervision must be carried out from the roots, from basic level production units and subward and village facilities. Village and subward party committees must lead the masses in not selling goods within the purview of unified state management to private commerce, and in encouraging production teams and family economic units to sell goods to the state. All subwards and villages must organize market management forces with sufficient strength to regularly inspect and handle price posting, sales at the posted prices and the achievement of market management objectives.

5. Promote production and production rearrangement and reorganization in industry, small industry and handicrafts, agriculture and capital construction.

--The institution of new prices and wages must stimulate and encourage enterprises to increase equipment use capacity with efforts to achieve from 60 to 70 percent and up. The Municipal Planning Committee and basic units must carefully calculate and well-resolve material, equipment and energy requirements to ensure the norms above for basic units. For those enterprises operating at under 50 percent equipment capacity, a specific plan is necessary during the next 3 months to reach a level above 50 percent.

Concerning the small industry and handicraft enterprises, it is necessary to recalculate wages, properly resolve problems in capital and taxes, and create conditions in material and energy in order to strongly develop the capabilities of the cooperatives. Continue to expand forms of expositions and consignment stores to create conditions for the basic level small industry and handicraft units, including the family economic units, to develop.

--Implement production plan readjustment, closely connecting production with consumption; continue to import additional supplies and raw materials, expand economic association, and properly resolve energy problems to ensure completion of decided plans.

--Each enterprise and cooperative must immediately formulate plans to develop new products, closely connecting new requirements and buying power to formulate plans on production rearrangement and reorganization. At the same time, there must be plans on supplies and equipment, especially on the application of technical advances, and enterprise and cooperative financial plans.

--For agriculture, including the Lam Dong New Economic Zone, proposals must be prepared for specific discussion by the Standing Committee of the Municipal Party Committee on the elimination of bureaucratism and subsidization and the shift to socialist economic accounting and business practices.

Based on the new prices and wages, basic level production, business and administrative units must formulate missions for the 1986 plan and estimates for the 1986-1990 plan period.

6. Concerning leadership, supervision and achievement organization:

To ensure successful implementation of Resolution 28 of the Political Bureau aimed at achieving the requirements of promoting production, stabilizing life and stabilizing the social market, the following tasks must be achieved in a synchronized manner:

a. Ideological work must propagandize a thorough and proper understanding of the basic viewpoints of Resolution 8 of the Party Central Committee to closely connect the proper organization of promptly disseminating and explaining to every cadre and party member the positions and policies on prices, wages and money, and on market management, causing everyone to clearly understand that implementation of Resolution 8 is a process of total, synchronized, resolute and urgent struggle which has made firm progress but is not conservative, hesitant, halfway nor simple and impatient. At the same time, it is necessary to uphold a concept of organization and discipline in resolution execution, first of all in the implementation of discipline in prices, wages, finance and money, overcoming liberal, arbitrary and unprincipled occurrences.

b. Strongly launch a mass movement of resolution achievement. Mass organizations are responsible for educating the masses in achievement of collective ownership in production, marketing and service, inspecting the operations of enterprise agencies, creating heated revolutionary movements, and serving as a motive force in encouraging every level of the people to achieve the resolution, especially in production, with the purpose of increasing productivity, quality and effectiveness while simultaneously participating in managing the market, maintaining prices and resisting speculation and smuggling.

c. Intensify party inspection work. Promptly discover good examples, propose methods of correcting discrepancies in the resolution achievement process, and prosecute serious violations of party and state policies on prices, wages and money.

d. Concerning organization and cadres:

--Based on cadre standards and requirements for renewing the management mechanism, reexamine, inspect and evaluate cadres, first of all the leaders of economic agencies and the management cadres of production and business units, and provide immediate advanced training for the management cadres of sectors and basic units. Uphold the leadership role and combat strength of party basic level organization and the vanguard model role of the party member in formulating and implementing plans for renewing the management mechanism. Cadre and party member quality must be clearly expressed in efforts to eliminate the centralized bureaucratism-subsidization mechanism, resist conservatism and delay, construct and perfect the new management mechanism, and overcome occurrences of conservatism, negativism and localism in all units. Cadres who, through actual implementation of party resolutions, show a lack of responsibility or insufficient ability to successfully complete their assigned mission, must be readjusted and rearranged.

--Perfect labor allocation and decentralization for wards, districts and subwards, and for basic units in order to develop the production and business initiative and the financial autonomy and to raise the responsibility of echelons, sectors and basic units. Party committee echelons and unit agencies must

take the initiative in redefining their own functions, missions and work methods. On that basis, carry out rearrangement and reorganization. Things which may be immediately done are to eliminate or reduce duplicate and surplus organizations, shift unnecessary personnel in the administrative apparatus and the production and business line to other suitable jobs, and to eliminate the degenerate and degraded elements.

e. Improve methods of work: Extremely firm coordination is necessary between party and administrative agencies and mass organizations in order to achieve Resolution 28 of the Political Bureau. Carry out a system of shift relief twice a week between the Standing Committees of the Municipal Party Committee and Municipal People's Committee and the wards, districts and district seats and concerned sectors (once with the wards and once with the districts).

Party sections and mass organizations must properly organize work methods in order to assist party committee echelons to firmly grasp the situation in sectors and echelons, and promptly present appropriate positions and methods to correct discrepancies and to stimulate achievement of the resolution at the primary level.

--Properly achieve coordination between the city and ministries and central sectors, and take advantage of the constant supervision of the Secretariat and the Standing Committee of the Council of Ministers to promptly resolve problems occurring in the process of resolution achievement.

Simultaneously with supervision of Resolution 28 of the Political Bureau on prices, wages and money, echelons and sectors must firmly supervise achievement of the 1985 economic and social missions, make good preparations for the 1986-1990 plan, and strengthen party construction in accordance with the Directives and Resolutions of the Party Central Committee and the Resolution of the Standing Committee of the Municipal Party Committee on the work program during the final 4 months of 1985.

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CSO: 4209/108

PARTY ACTIVITIES AND GOVERNMENT

TRUONG CHINH COMMENTS ON FORTY YEARS OF STRUGGLE

Hanoi HANOI MOI in Vietnamese 6 Sep 85 pp 1, 4

[Article by Truong Chinh: "Vietnam's 40 Years of Struggle and Victories-- Article by Truong Chinh, CPV Central Committee Political Bureau Member and State Council President, Written for the Soviet Union's Izvestia on the Occasion of Our 40th Independence Day"]

[Text] The year 1945 is an extremely important historical landmark in the development of mankind. The Soviet people along with their glorious Red Army dealt decisive destructive blows to the aggressive armies of Nazi Germany and militarist Japan, saving mankind from catastrophic fascism and creating conditions for the revolution in many European and Asian countries, including Vietnam, to achieve victory.

After exterminating Nazi Germany in Europe, the Soviet Union declared war on militarist Japan. The heroic Soviet Army promptly crushed the enemy, forcing Japan to surrender unconditionally.

Taking advantage of that golden opportunity, the Indochina Communist Party, which preceded the present Communist Party of Vietnam, decided to launch a general uprising to overthrow the ruling imperialist and feudal yoke and seize power for the people. An unusually shining new era began in the Vietnamese history of national building and defense--the era of independence and unification in which the laboring people really master their own destinies.

The victorious August Revolution is a basic result of the Vietnamese people's resolute and indomitable revolutionary struggle under the CPV and great Chairman Ho Chi Minh's leadership. The party has skillfully linked the Vietnamese tradition of perseverance and firmness with epochal revolutionary trends. Creatively applying Marxist-Leninist principles to the Vietnamese situation, it made careful preparations, training the masses through various revolutionary upsurges from 1930 to 1931 and from 1936 to 1939, especially through the 1939-1945 campaign for national salvation, laying the groundwork for a general uprising. When the situation was ripe, the party energetically and promptly passed to action, mobilizing tens of millions of people to rise up, as one man, to seize power nationwide. The August Revolution was the first national people's democratic revolution led by the working class party ever to achieve success in a country under colonial rule. It launched a sudden frontal attack

on the citadel of imperialism and cut off the weakest link in the chain of colonialism. It portended the irresistible ascent of an oppressed people to quash the ruling yoke of imperialistic influences, recover national independence and advance toward socialism in the footsteps of the October Revolution.

Assessing the significance of the August Revolution, Chairman Ho Chi Minh stated, "Not only the laboring class and people in Vietnam, but also the laboring class and oppressed peoples elsewhere could take pride in the fact that, for the first time in the revolutionary history of colonies and semi-colonies, a party which was barely 15 years old led a revolution to victory and seized power nationwide" (Ho Chi Minh, "For Independence, Freedom and Socialism," Su That Publishing House, Hanoi, 1970, p 101).

Following the victorious August Revolution, the Vietnamese people had to fight an extremely arduous resistance war against French colonialists for nearly 9 years. They eventually came off with flying colors in the 1953-1954 winter-spring strategic offensive culminating in the historic Dien Bien Phu victory and forcing the French colonialists to sign the Geneva accords to recognize the independence, sovereignty and territorial integrity of the three Indochina states.

The Vietnamese people's victory over French colonialist aggressors was seen by the people of the world as a symbol of people's war victory of a small nation determined to regain its independence fighting the professional army of an obstinate colonialist and imperialist country, nurtured and abetted by the United States. "For the first time in history, a small and weak defeated a strong colonial power. This was a glorious victory of the Vietnamese people and also a victory for the forces of peace, democracy and socialism the world over" (Ho Chi Minh, "For Independence, Freedom and Socialism," Su That Publishing House, Hanoi, 1970, p 216).

This victory sounded a death knell for old colonialism and also a triumphant bugle call for the Vietnamese people in their first battle against U. S. interventionists--an overture to the symphony against America for national salvation.

The Vietnamese revolution is unique: From 1954 through 1975, it carried out simultaneously two different strategic tasks in two temporarily partitioned regions of the country. The north was a great rear, striving to build socialism and provide manpower and wealth to the south. The south was a great frontline, directly confronting the aggressive war and new colonialist schemes of U.S. imperialism. The Vietnamese people in both regions then shared the common obligation of doing their utmost to fight America for national salvation, secure full independence and national unification and move the entire country toward socialism.

Through correct political and military policies and creative revolutionary methods, the CPV has led the people to vanquish five U.S. presidents' four war strategies. And throughout 20 years of arduous fighting the Vietnamese remarkably implemented Chairman Ho's strategic slogan of "fighting Americans until they push off and fighting puppets until they collapse," forcing them

to sign the Paris accords (1973) and bring U.S. troops home; then in the spring of 1975 they embarked on the historic Ho Chi Minh campaign to seize complete victory. The Vietnamese people's victorious resistance against America for national salvation went down in history as an immortal epic, dealing a heavy blow to the global counterrevolutionary strategy of U.S. imperialism, weakening the imperialist system, auguring the inevitable bankruptcy of neocolonialism, changing the balance of world forces in favor of revolutionary forces and actively contributing to the world people's struggle for peace, national independence, democracy and social progress.

After more than one-half century of arduous struggle against imperialism, the Vietnamese people sorely need peace to build their nation; however, Chinese expansionists and hegemonists have long had plots and plans aimed at constraining and weakening Vietnam and other Indochina states, laying the groundwork for their expansion in the direction of Southeast Asia; especially, in the wake of the Vietnamese people's complete victory in 1975, they ruthlessly launched two wars along the southwestern and northern borders with a view to encircling and conquering our country through a pincer movement.

The Vietnamese people subsequently defeated the two invasions of expansionists and hegemonists and their hirelings, saving the Kampuchean people from genocide; and currently they must continue to fight and defeat the enemy's multi-form war of sabotage and border incursions.

The Vietnamese people's victorious struggle against expansionism and hegemony has thwarted an important step in the latter's global counterrevolutionary strategy, protecting Vietnam's independence, sovereignty and territorial integrity, strengthening solidarity in combat among the three Indochina states and contributing to consolidating Southeast Asia's peace and stability.

Why could the Vietnamese people defeat invading enemies many times taller? The answer is that they are warmly patriotic and closely united, are determined--and eager to know how--to fight and win and have powerful epochal assistance.

The Vietnamese people's patriotism is a continuation and expansion of their 4,000-year tradition of resilient and indomitable struggle against foreign aggressors. Especially since they have been led by the CPV have they been more aware of their historical role, capabilities and strength, and as a result, they have fought resolutely in keeping with correct, independent, self-reliant and creative CPV policies.

These policies have led the whole nation to make a people's national democratic revolution, paving the way for a socialist revolution, linking national independence with socialism and patriotism with proletarian internationalism.

The CPV is versed in fostering the entire people's combined strength to fight wars. This strength is a product of the coalescence between political forces and military forces and between the strength of national traditions and the entire people's current strength.

The party has strived to build a mighty people's army with three kinds of forces--main forces, regional forces and militia and self-defense forces. These are a major thrust of the resistance and a key force enabling the entire people to fight the enemy.

The party has linked the Vietnamese people's strength with epochal strength and successfully integrated the Vietnamese people's struggle into the advance of three world revolutionary currents. It is these two sources of brawn that have lent wings to Vietnam to attain its ultimate goals.

Knowing how to fight and win, the Vietnamese people have won the war for national liberation, the war to defend the fatherland, the war against colonialism and imperialism and the war against expansionism and hegemony.

The Vietnamese people's war is a creative epochal experience and a great victory of the national liberation movement in this 20th century.

Ending 30 years fighting for national independence, freedom and unification and entering a new stage--the transitional stage to socialism--the Vietnamese people are striving to carry out two strategic tasks put forward by the Fifth CPV Congress--to successfully build socialism and strongly defend the Vietnamese socialist fatherland.

Fostering the August Revolution tradition and the laboring people's sense of collective socialist mastery, the Vietnamese people have, in the past 10 years, rehabilitated and developed production forces, consolidated and improved production relationships in the north, defined and established socialist production relationships in the south and gradually stabilized and ameliorated material and cultural living standards. They have dressed war wounds and strengthened socialist material and technical bases, are completing hundreds of large-scale building projects--some of which have already been put into commission--have clearly increased grain production, achieved substantial cultural, educational, public health and social progress and provided appropriate national defense and security.

The Vietnamese people have overcome tough and complex challenges and generated encouraging progress and new changes in the economic battlefield and in daily life and continue to hold their course.

Although our people have made great accomplishments in the past 10 years, we still see shortcomings in party and state political leadership and economic management. For instance, we continue to lack proper plans to fully use existing labor, land, sector and profession potentials, as well as material and technical bases, and keep wasting production capabilities. Other defeats include low social labor output, poor management and planning, a cumbersome managerial apparatus laden with flat-allocation bureaucratism apt to impede production, a heavily flawed distribution and circulation system and difficulties in livelihood.

To overcome these weaknesses, our party's sixth and seventh Central Committee plenums held in the past few years adopted corrective resolutions on

production, distribution and circulation and economic management improvement. Particularly, the resolution of the Eighth Plenum of the Central Committee this past June urged elimination of the bureaucratic flat-allocation structure and a resolute switch to economic accounting and socialist business. This resolution was especially important. It marked the CPV's maturity in economic leadership and in correctly grasping and creatively applying socialist economic laws to the Vietnamese situation to generate new momentum and vigor needed for accelerating the labor and production emulation movement, unflinchingly fulfilling the 1985 state plan and the 1981-1985 5-year plan, and striving to attain economic and social goals and main norms set by the Fifth Congress, of the CPV, therefore enabling our nation's economy to gradually and steadily achieve stability and growth.

While building our nation we must take steps to regularly strengthen and consolidate national defense, closely link the economy with national defense and security and defeat the multifarious war of sabotage and incursions launched by expansionists and hegemonists along our northern frontier. And while concentrating on building socialism we must always stand ready to confront all circumstances and defeat enemy invasions no matter what their size and strength.

We keep doing our utmost to discharge lofty international obligations toward our Lao and Kampuchean brothers, contributing to the world people's struggle for peace, national independence, democracy and social progress.

One of the major factors enabling our people to rout all enemy invasions throughout decades of arduous fighting to defend the nation is the wholehearted support and assistance of the fraternal Soviet Union's party and people and of the socialist community, and the sympathy and encouragement of the nonaligned countries and peace-loving peoples in the world, including the French and Americans. That assistance was continued during the past 10 years as our country was embarking on the first leg of the transitional road to socialism.

Over the past 40 years, the combative solidarity between the Vietnamese and Soviet peoples has surmounted all challenges and has unceasingly and flawlessly strengthened and developed. This is a new form of international relationship based on our two parties' unwavering loyalty to Marxism-Leninism and on our two nations' complete unanimity of views and goals and about their respective positions and roles in the world and the region. The CPV continually asserts that it is a fundamental strategic principle for our party and state to strengthen combative solidarity and total cooperation with the Soviet Union. And this is an important guarantee for Vietnamese to fight and win in the past and successfully build socialism and defend the socialist fatherland at present.

The Vietnamese people are extremely happy to see that in the past 40 years the Soviet people have always provided them strong support and great, valuable and effective assistance.

In building socialism with the Soviet Union's great assistance, the Vietnamese have rehabilitated, transformed and built more than 200 major installations of

their nation's economy. Such key projects as the Hoa Binh hydroelectric power plant, the Pha Lai thermoelectric power plant, the Bim Son cement factory, the Tri An thermoelectric power plant, the Thang Long bridge, the joint Vietnamese-Soviet knitting mill, have truly become great symbols of Vietnamese-Soviet friendship.

The official friendship visit to the USSR of an SRV party and government delegation, led by CPV General Secretary Le Duan, in late June this year, marked a new height in the friendship and total cooperation between Vietnam and the Soviet Union in the interest of both peoples and of peace and stability in Southeast Asia and the world.

Pleased with and proud of the fine achievements in Vietnamese-Soviet friendship and total cooperation, the Vietnamese people are determined to do their utmost to strengthen that amity further, making it eternally green, fresh and durable.

The current strengthening of power of the USSR and the socialist community has extremely great significance. The Vietnamese people fully support the Soviet Union's resolve and its strong measures designed to rapidly shift the entire economy to in-depth development and improve all aspects of socialist growth. The consolidation of Soviet political, economic and national defense muscle not only has increased the whole socialist camp's might, but also is a vibrant stimulation for the forces of peace, national independence, democracy and socialism the world over.

At present, the international situation is very tense, due to the fact that militarist and warmongering U.S. circles are foolishly plunging headlong into the nuclear arms race, conspiring to militarize outer space in an attempt to disrupt the balance of forces and seize military and nuclear superiority, confronting mankind with the real danger of an annihilating nuclear war with incalculable consequences.

In the face of that situation, the peace policy of the USSR and the socialist community is totally correct. The Vietnamese people welcome the 20-year extension of the Warsaw Pact, decided at the recent high-level meeting of pact member nations. We enthusiastically support the Soviet Union's principled position and its famous peace initiatives, especially the latest important proposals put forward by Comrade M. X. Gorbachev, general secretary CPSU Central Committee, including a unilateral decision to suspend all nuclear tests from 6 August 1985 onward. This decision is effective until 1 January 1986 and will be extended if the United States agrees to a similar moratorium. We enthusiastically welcome and totally support the appeal sent by the CPSU Central Committee, the Ministers to the peoples, national assemblies and governments of various countries on the 40th anniversary of the victory over Nazism and militarism.

The new Soviet initiative has received the ever-growing sympathy and support of the peoples of the world, including Americans and West Europeans. It illustrates the Soviet Union's consistent foreign policy and its peace policy full of goodwill and marked by a high sense of responsibility before mankind.

The measures already taken, and being taken, by the USSR and the socialist community to cope with the U.S. nuclear arms race not only have fortified their defense capabilities, preventing warmongering imperialists from seizing military superiority, but also have exposed the U.S. Government's fraudulent commitments to peace and have stimulated the peoples of the world to rise up against the danger of nuclear war.

Along with the Lao People's Democratic Republic and the Kampuchean People's Republic, the SRV has been fighting untiringly for a peaceful, stable, friendly and cooperative Southeast Asia. Goodwilled and constructive initiatives put forward in past years by a high-level meeting and meetings of foreign ministers of the three Indochina states, designed to restore peace and security to the region, have received broad sympathetic support from world public opinion. With strength from the unbreakable solidarity among Vietnam, Laos and Kampuchea and the valuable support and assistance of the USSR, other socialist countries and peace- and justice-loving peoples the world over, the Vietnamese people will certainly achieve their glorious mission of successfully building socialism, strongly defending their socialist fatherland and fulfilling lofty international obligations, thus actively contributing to the world peoples' struggle for peace, national independence, democracy and social progress.

On this occasion, the Vietnamese people would like to express sincere and deep gratefulness to the fraternal Soviet Union's Communist Party, government and people for their wholehearted aid to the Vietnamese revolution in the past 40 years.

We wish that the Soviet people, under the glorious CPSU's leadership, will gain many great achievements in the vigorous socialist emulation movement to salute the 27th Congress of the CPSU, continually promoting the latter's role as a strong pillar for peace and reliable prop for the world revolutionary movement.

The past 40 years have been our people's most heroic, resilient and vibrant struggling years in Vietnamese history. Overcoming hardships and challenges in a stormy revolutionary process, the Vietnamese people have maintained and fostered their fine traditions while creating new material and spiritual values and integrating themselves into mankind's mainstream progress.

These 40 years are years of confluence between the Vietnamese revolution and that of world peoples, offering the former fundamental advantages in struggling for and building the country.

On this glorious day of history, with unbounded trust and deep gratefulness, the Vietnamese people look up to Chairman Ho Chi Minh as a genial leader, a great teacher of the Vietnamese revolution, who laid the foundation for Vietnamese-Soviet friendship, devoted all his life to the revolution and set a shining example for present and future Vietnamese generations to follow.

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PARTY ACTIVITIES AND GOVERNMENT

HANOI YOUTHS EXCEL IN AFFORESTATION DUTY

Hanoi HANOI MOI in Vietnamese 20 Sep 85 p 2

[Article by Vu Minh: "Hanoi Youths Plant Trees On Ba Vi"]

[Text] Carrying out the municipal people's committee's policy on creating a Hanoi Youth Afforestation Enterprise in Ba Vi District, in the second quarter of 1985, the Assault Youth Federation for Economic Building of the Capital actively put itself to work and formulated an afforestation project, set up the enterprise's leadership structure, and campaigned for the mobilization of youths from districts to volunteer to go to Ba Vi to plant trees on the bald hills. The 1985 project plans to muster 400 youths, including 80 percent from agricultural areas and 20 percent from inner wards of the municipality. Immediately after receiving the municipality's decision, the Youth Union dispatched leadership cadres to Ba Vi where, together with cadres from the state forestry site, they studied the situation, made ready physical facilities to receive workers, and prepared for ceremonies in Yen Bai (of Yen Hoa Village) in which youths were later assigned land and forest lots. The site was originally a production base for the Yen Bai group of the state forestry unit. All the group's facilities were assigned to the Youth Afforestation Enterprise, including 1,500 ha of forest land, of which 100-ha were natural forests, and 100 ha were newly planted forests with eucalyptuses, pine trees, and other lumber trees.

Initially, living quarters consisted of only six roofless, rundown cabins. Needless to say, countless difficulties and challenges confronted the 130 youths who had been recruited in the first phase. However, bringing in action their assault spirit, cadres and members of the enterprise got together to democratically discuss ways to overcome problems. In all the months of July and August, without pay and capital, the youths had no one to rely on but themselves in the procurement of grain, food and production tools. They kept cool though, and plunged head-long into the hard work. Nobody then would have thought that in just over 2 months, the enterprise completed a stunning volume of heavy tasks, one of which was a 1-hectare nursery that was done in conjunction with the Hanoi Nursery Plant Corp in order to get enough young trees to plant 150 ha of forest the following fall. At present, the enterprise has completed the planting of 40 ha of new forests (with eucalyptus and keo la cham), and provided maintenance

for nearly 100 ha of young forests transferred from the state forestry site (with a tree survival ratio of 90 percent.) From the director down to the simple worker, there was almost no day off. In addition to afforestation work, the enterprise busied itself in the construction of living facilities to stabilize workers' living conditions. A group of robust youths was assigned the task of making lumber, cutting thatch and bamboos, repairing barracks, and building plank-beds and furniture. The enterprise has now 10 cum of eucalyptus wood, 3,500 bricks, and 2 tons of lime for the construction of new barracks that will accommodate more workers to meet the municipality's norms.

The day of our visit, workers were elated about receiving their first pay, a product of their own sweat and toil. We saw fresh food in the meals of the young workers, for the enterprise was able to produce its own vegetables, breed 5,000 fish of various types, and raise 2 pigs. Their living quarters, although not perfect, were much better than before. After work hours, the youths entertained themselves with musical and sports activities. At night, if there were no meetings, they listened to the radio or to newspaper reading, or practiced singing songs or dancing. They were delighted when they heard the news that Hanoi was about to move 12,000 bricks, 2 km of electrical wire, and automobiles to the site.

Vu Hong Son, a cadre of the Assault Youth Federation For Economic Building of the Capital on duty at the enterprise, indicated: "At present, the enterprise has two production groups, and among its personnel are 10 party members, the rest being Youth Union members. In an immediate future, party and Youth Union organizations will be created in accordance with the new structure. The site has also 12 members who had been transferred from the army and who act as security guards. Recently, they uncovered an attempt of theft of the enterprise's property and prevented in a timely manner two cases of illegal lumbering. When more guards are assigned in sufficient numbers, the enterprise Youth Union will create an assault security group whose mission will be the deterrence of negative phenomena and cleaning of the ranks of the enterprise's personnel and of the neighborhood."

In a discussion with us about the direction of efforts of the enterprise, the comrade director said: "In the immediate future, the enterprise will plant 400 ha of new forests, maintain nearly 100 ha of old forests and undertakes secondary production activities, such as making bricks and combustibles, animal husbandry, and companion planting of short term crops in order to improve living conditions. On their side, the youths must strive to build this site and make it worthy of being a "youth project, a manifestation of their efficient labor, quality, success and happy and healthy living."

In the context of this line of thinking and new approach, youths of the capital can be reassured that when they prepare themselves to volunteer to join the enterprise, they will contribute their labor for the building of our nation, of our capital, and of a new lifestyle for themselves.

9458/9190
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PARTY ACTIVITIES AND GOVERNMENT

CADRE TRAINING FOR PARTY, ECONOMIC MANAGEMENT

Hanoi HANOI MOI in Vietnamese 13 Sep 85 p 2

[Article by Xuan Luong: "Cadre Training To Enable Them To Do Party Work and Economic Management"]

[Text] After over a year of carrying out Directive No 22 and Decision No 131 of the standing committee of the municipal party committee pertaining to cadre formation and advanced training for 1984-1985, and to party school (state school) and mass organization school work, in spite of many difficulties, the municipality has maintained and developed education, formation and advanced training for cadres and party members. It trained 279 grassroot cadres whose titles were chapter secretaries and party organization members, leadership positions at base units. It provided advanced training in matters of state and economic management for 2,803 leadership and management cadres, who occupied incumbent key positions in industrial, agricultural and transportation and distribution organizations.

The most salient feature of the past school year which denoted a more active approach in cadre education and training was the gathering of leadership and key management cadres of base units at district and city party schools for advanced training. The enhancement of educational levels, abilities and quality of key cadres play a decisive role in all production and business activities and mass revolutionary movements at base units. In accomplishing these missions, the party school becomes an educational and organizational tool of the party.

Party schools, district and city propaganda and training bureaus, and some party organizations directly under the jurisdiction of the municipality, such as these of the Thang Long Bridge Federation of Enterprises, the No 8 Federation of Communications and Transportation Enterprises, the police, and the Railroad General Department, stepped up educational activities and made available various political theory programs for cadres and party members. They opened new beginner classes for 2,293 students and set up a final examination for them. Dan Phuong District was authenticated by the municipality as the first district having completed the basic political program for its party members. It kept up the work with new intermediary classes for 1,331 students, and advanced training for 1,555 new party

members and 4,321 prospective party members. The propaganda and training bureaus of the Dong Anh and Thanh Tri District party committees organized an advanced training course for 62 village cadres on propaganda and training skills.

Advanced training for state management and mass organization cadres was boosted. The municipality's School of Administration gave advanced training for 471 ward and village key cadres; the union school did the same for 1,079 basic units' union key cadres; and the school of the municipality's Ho Chi Minh Youth Union trained 2,508 union leadership cadres from the base unit and up.

Generally speaking, education and training work in the 1984-1985 schoolyear for cadres and party members at party schools, district and city education and training bureaus, state schools, municipality union school, and some party organizations directly under the jurisdiction of the municipality benefited from the consistent leadership of the standing committee of the municipal party committee and were moving forward. Training curricula strictly adhered to and supported political responsibilities of the municipality, localities and base units. Many appropriate learning techniques were used, making it very attractive for cadres and party members to go to school. Some district and city party committees adroitly developed the integrated strengths of bureaus, sectors and base units in the whole training process which visibly enhanced knowledge about Marxist-Leninist theory and economic and state management for cadres and party members. The training also strengthened unity regarding party lines and policies, and favorably affected their execution through the provision of guidance in the form of concrete and pragmatic guidelines.

However, cadre and party member education and training still have certain weaknesses that need to be overcome. Some district and city party schools have not organized training courses for party chapter secretaries and party committee members for base units and have not provided advanced training for incumbent key leadership and management cadres of base units. Certain others were slow in solving the lack of outlines, lesson plans and training materials. Achievements in matters of management and optimal use of the corps of instructors as well as in the application of theoretical lines into real-life situations were still marginal, affecting adversely the quality and efficiency of training.

In the framework of our cadres education and training responsibilities in 1985-1986, we must do the following tasks well: to organize cadre and party member education and training courses in conformance with each variety of programs as directed, in order to concentrate on the formation of grassroots leadership cadres, and provide advanced training for incumbent leadership and management cadres of base units in the industrial, agricultural and transportation and distribution sectors; to include, as special subjects, the resolution of the Eighty Plenum of the VCP Central Committee and Resolution No 10 of the municipal party committee into the curriculum of party schools, and to improve the corps of specialized and nonspecialized instructors of districts and cities; and to prepare for the

recapitulation of elementary political theory training program at propaganda and training bureaus and party schools of districts and cities, and at propaganda and training bureaus of party committees directly under the jurisdiction of the municipality, and to assist the Ho Chi Minh Youth Union in efficiently conducting the study of Marxism-Leninism for youth members.

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ECONOMIC PLANNING, TRADE, AND FINANCE

SAVINGS DEPOSITS RECEIVE PREFERENTIAL EXCHANGE RATE

Hanoi HANOI MOI in Vietnamese 5 Oct 85 p 3

[Article by Phan Thi Anh Tuyet, Deputy Director of the Hanoi Municipal Bank: "Savings Fund Preferential Policy"]

[Text] For a long time, the savings movement of cadres and people in the capital has received the unceasing supervisory concern and encouragement of party committee and administrative echelons and mass organizations, and has led the entire nation for many years.

In the aspect of material benefits (interest and cash awards) for the depositor, the state since 1978 has raised the annual interest rate from 5 to 24.3 and 36 percent while simultaneously employing a policy of incentive awards equal to 10 percent of the balance of deposits made up to 1 March 1978 and 3 percent of the average balance of deposits made from 2 March 1978 to 31 May 1981. Subsequently, on 23 September 1982, the Council of Ministers issued Decree 165 awarding an additional 100 percent to savings balances made by 31 May 1981. Thus, besides the benefit of earned interest, deposits made since 1978 have in general received three state incentive awards and the depositor has earned an amount equal to 1.1 to 1.2 times his original capital. With this policy, savings depositors in our capital have earned billions of dong in state cash awards.

On the occasion of exchanging old currency and issuing new currency this time, the state also had a preferential policy for savings deposits. According to the currency exchange rate, 10 old dong were equal to 1 new dong, but for savings deposits made in accordance with the savings procedures promulgated by the Council of Ministers, the balance on the day of currency exchange received a preferential rate of exchange for new currency as follows:

Deposits made before 1 March 1978 were converted at a rate of 1 old dong for 1 new dong. Deposits made from 2 March 1978 to 31 May 1981 were converted at a rate of 2 old dong for 1 new dong. Deposits made from 1 June 1981 to 31 December 1984 were converted at a rate of 6 old dong for 1 new dong, and deposits made from 1 January 1985 to 31 July 1985 were converted at a rate of 9 old dong for 1 new dong.

The different conversion rates above are based on the enthusiasm of the depositors who resolutely made deposits in the the savings fund for a long or short period of time. At a time in which the economic situation of our country has many difficulties, the savings depositors have shared and have readily contributed their capital along with the state in building the economy and protecting

the fatherland. From this, the state set a suitable and preferential rate of exchange beneficial to the depositor; with the level of interest paid on deposits made since 1978 added to the incentive awards and this preferential rate of exchange, deposits made during the various periods have earned interest equal to 1.3 to 12 times the original capital. This is an understanding and reasonable policy of the party and state concerning those who have actively and resolutely made savings deposits.

Enthusiastic over the preferential policy of the state for savings deposits, the municipal socialist savings fund system is concentrating efforts to accurately convert the savings account balances in order to ensure the legitimate interests of the savings fund depositors up to this time.

While awaiting conversion of millions of saving accounts to be completed, the people will continue normal dealings with the savings fund. Withdrawals may be made from those savings accounts eligible for preferential treatment but will temporarily be made at the general exchange rate without closing out the account but retaining a minimum balance to assist the savings fund with enough foundations and records to accurately calculate the conversion. During this 4th quarter, the savings fund system will strive to complete the calculations.

Although the city has reached and exceeded the assigned norms, savings campaign committees presently have many active methods for encouraging saving. Hoan Kiem, Ba Dinh and Dong Da Wards, and Tu Lien District have determinedly accepted additional norms and assisted in maintaining their outstanding unit titles in the savings deposit movement of the entire country.

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ECONOMIC PLANNING, TRADE, AND FINANCE

HANOI INSPECTION UNITS DISCOVER MARKET VIOLATIONS

Hanoi HANOI MOI in Vietnamese 4 Oct 85 p 1

[Unattributed report: "Strengthening Market Management: On the 2 Days of 1 and 2 October, Inspection Units of City and Ward Workers Joined Market Management Committees To Strengthen Market, Price Management in All Three Areas, State-Operated, Marketing Cooperative and Private Commerce; 65 Cases of Speculation, Smuggling and Counterfeit Goods Discovered"]

[Text] During the 2 days of 1 and 2 October, inspection units of city and ward workers coordinated with the management committees of Dong Xuan, Bac Qua, Hang Da, Cua Nam, 19-12, Mai Dong, Truong Dinh, Le Quy Don and Kim Lien markets to inspect the posting of prices and sales conducted in accordance with posted prices and with the precise commodity quantity and quality in all three areas (state-operated, marketing cooperative and private commerce).

In pork sales, the overall observation was that state trade stands had price lists hanging on the wall but many locations had no separate price tags for each type of meat, causing customers to easily become confused, while many of the marketing cooperatives and private commerce stands had no price tags at all. Common occurrences in the markets are sales at erroneous prices, short weights and meat type substitution, all resulting in a loss to the consumer. Shortages in weight amount to 3 to 8 percent of the fixed amount, the most serious occurring in the mobile retail sales stands.

At the Dong Xuan-Bac Qua Market, the marketing cooperative store of Phuc Tan Subward had no posted prices, raised the price of pig's fat from 23 to 26 dong per kilogram and also short weighed all the fat. At the Bac Qua Market, a privately operated dry goods stand raised the price of sesame from 17 to 18 dong per kilogram and another stand raised the price to 20 dong per kilogram. At the Hang Da Market, private merchants at two dry goods stands raised the price of vermicelli from 17 to 20 dong per kilogram; and one private merchant and the marketing cooperative of Hang Bong Subward had one pan balance and one hanging scale that were both underweight, cushioned with bits of lead and iron screws to short weigh items by 10 to 15 grams. At the Cua Nam Market, a state trade food store sold fish sauce at less than the fixed amount.

At the locations above, the worker inspection units all prepared reports clearly noting the situation, defining the level of the violation, and requesting handling by management echelons. Afterwards, the results were reported to the standing committee of the municipal worker's inspection section.

--During September, the municipal public security forces discovered 65 cases with 122 suspects, including 53 cases of speculation, 8 of producing counterfeit goods, and 1 of smuggling; and recovered goods and cash valued at more than 8 million dong in old currency.

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HEALTH, EDUCATION, AND WELFARE

QUANG VU REVIEWS LE DUAN'S BOOK, 'LETTERS TO THE SOUTH'

Hanoi THONG TIN KHOA HOC XA HOI in Vietnamese Apr 85 pp 1-7

[Article by Quang Vu on Le Duan's book, " Letters to the South, " Hanoi, Su That Publishing House, 1985, 422 pages]

[Text] On the occasion of the 10th anniversary of the totally victorious resistance against America for national salvation, Su That Publishing House will offer its readers three important documentary books, which are also three valuable books everybody has been waiting for: "A Number of Party Documents About the Resistance Against America for National Salvation, " "The South, Bulwark of the Fatherland " by President Ho Chi Minh and "Letters to the South " by Le Duan.

General Secretary Le Duan was mainly responsible to the Political Bureau and the CPV Central Committee for the revolutionary movement in the South and was the person who had written the "Tenets for the Revolution in the South " back in 1956, which was the basis for the resolution of the 15th Plenum of the CPV Central Committee (2nd term) in 1959 on the road to the revolution in the South. That resolution was an integral part of the revolutionary line and the line on the fight against America for national salvation adopted by our party at the 3rd Party Congress in 1960.

As the war of resistance was progressing, along with other Political Bureau members, Le Duan was making great contributions to developing, materializing and gradually perfecting the line on the revolution and the revolutionary war in the South in particular and the line on the Vietnamese revolution in general, as well as to organizing a creative implementation of such lines. His book, "Letters to the South," reflects a part of these great contributions by the beloved general secretary.

Made public for the first time in a book 10 years after the end of the Vietnam war, "Letters to the South " gathers letters and a number of telegrams that Le Duan sent to the leaders of the southern battlefields -- from the ones on

the Tri-Thien front to the battlefields in central and southernmost Trung Bo and Nam Bo -- during the resistance against America for national salvation. The book also contains the conclusions he made at the Political Bureau Conference at the end of 1974 and early 1975 about the situation and task of the revolution in the South. Then there are the telegrams he sent to the people who were primarily responsible for the general offensives and uprisings in the course of all military events, from the beginning to the totally victorious end of the resistance against America for national salvation.

The thing that stands out first in "Letters to the South" is the recognition of the plot and strength of the American imperialists, a correct recognition of the strengths and mostly all of the weaknesses of the leading imperialist in the world, in the aggressive war in Vietnam and right on the battlefields of the South.

Only by living in that point in time when the admiration and fear for America had been widespread in many countries to the extent of considering the might of American imperialism incredible and invincible could we fully appreciate the meaning of the general secretary's scientific, keen and unique analysis of American imperialism; the independent, self-supporting, correct and creative party line on the revolution; and our people's iron determination to fight America for national salvation. Le Duan pointed out the need "to correctly assess the strengths and weaknesses of America, not to make the mistake of being subjective and underestimating the enemy and at the same time, in order to sustain a full determination, to adopt the best fighting method leading to final victory" (p 98). But the question that was raised was to be able to see all of the Americans' weaknesses and to correctly judge the limits of their aggressive war efforts in Vietnam. On the basis of the self-evident truths about America that everybody had known, he clearly stated that "since the end of World War II no imperialists suffered from more defeats than the Americans" (p 99), that "in Vietnam today America is weak both politically and militarily" (p 98) and that "here America is not strong militarily" (p 100). Once the American war efforts had reached their peak, i.e., the limit that could not be exceeded, and yet victory was still impossible, they would certainly have to deescalate the war and to admit defeat. With such an observation, Le Duan affirmed the inevitable defeat of the Americans in Vietnam and Indochina, a total defeat both political and military.

In order to clarify the party view on the balance of power between us and the enemy in the Vietnamese theater, Le Duan explained, "To talk about being strong and weak is to talk about the actual balance of power in a definite time and space, rather than to make a simple and mechanical calculation" (p 98). "In order to assess this balance of power between us and the enemy, as well as the prospects for changing this balance of power, we must use the framework of the 'special' war (or type 3) waged by the American imperialists in Southeast Asia" (excerpt from the Central Committee resolution).

To say using the framework of the "special" war, and later the local war, waged by America in the South first of all meant to consider the balance of power between the enemy and us within the balance of power between the revolutionary and counterrevolutionary forces in the world. The special war, and the local war as well, both were the product of the American imperialists being passive in the face of the strong offensive launched by the three revolutionary trends against imperialism, at a time when America had to replace the strategy of massive retaliation with a flexible reaction strategy using three types of war -- total-force war, local war and special war. Therefore, "The Vietnam question has become an issue of international significance." "Our people's struggle takes place in a red-hot region, where are concentrated many harsh contradictions; it is the focus of the decisive struggle between the revolutionary and counterrevolutionary forces in the world today" (p 117). Obviously from that standpoint the American imperialists were not in as strong a position as Vietnam.

Secondly, with the special war and later the local war, the American plot was to carry out neocolonialist activities in South Vietnam, to prevent communism from spreading in Southeast Asia and to crush the national liberation movement. In order to carry it out, the American imperialists were forced to use ruthless military maneuvers combined with demagogic political ones. In this war, compared to us, America was weaker both politically and militarily. Here America was the aggressor, while the struggle of our people was that of a good cause. As to the military aspect, as Le Duan analyzed it, in the present era there were two most powerful things -- nuclear war and people's war. In the South, America was unable to use nuclear war, but the Vietnamese people were able to use people's war. That was our strong position.

Thirdly, to consider the balance of power had to rely on an actual analysis of the real situation. Being strong or weak did not solely involve quantities, being a great inactive and totally objective number, but also quality, being a great active number, reflecting a combination of many factors and acting under the subjective action of man, of the struggle between the two sides. Here the clear-sightedness of the party was the fact that our party had succeeded in correctly evaluating the events, drawing the necessary conclusions, foreseeing how the situation would develop and detecting new things before they would appear or while they still were buds, and from there had assumed bold but correct subjective leadership to make things develop in accordance with its subjective wishes. It was obvious that in this regard the position and power of the American imperialists in the aggressive war in the South both were weak. The reason was that they were unable to fully develop America's strength, equipment and weapons, while its weakness, or political position, got worse everyday. On our side, on the contrary, our strength or political position improved everyday, while our early military weakness was gradually overcome because of the talented leadership and guidance of the party and the

war skills and experience of our people, who finally became strong enough to defeat the enemy. The shifting of the balance of power between us and the enemy in different periods was carefully analyzed in the party resolutions and was especially clarified in the letters of the general secretary sent to the battlefields.

Evaluating the gain of the Lao revolution in the Nam Tha victory (1962), Le Duan noted that "The lesson of the Lao revolution is of great importance for the revolution in South Vietnam. It lets us see more clearly the plot and capabilities of American imperialism in the complex international situation today and see more clearly the trend of the revolutionary movement in specific regions in the world" (p 53). Learning from this lesson and victory of the friendly country, he foresaw the time when "American imperialists must lose but to what extent their losing may be, and we must win but to what extent our winning may be" (p 52). Then he carefully analyzed the actual situation of the revolution in the South and clarified the similarities and differences in order to draw correct conclusions for the revolution in the southern part of our country. Quickly reviewing the course of American defeat in the "special war," he said, "After the Ap Bac battle, America found it could not defeat us; then at the time of the Binh Gia battle, it found it would lose the 'special war' to us" (p 69). Following the battle of Van Tuong, he drew the conclusion to the effect that we could win America's "local war" and by the beginning of 1968 America was "in a strategic dilemma" (p 191) and "America's war efforts in Vietnam have now reached their peak" (p 191).

When America attacked Cambodia in 1967 and extended the war to the whole of Indochina, Le Duan was able to predict the capacity of all three countries to win victory at about the same point in time. When America was forced to sign the Paris Accord, to accept defeat, to withdraw and to find it hard to return, while other aggressive forces had not yet been ready "to fill the vacuum," he thought that the once-in-a-lifetime opportunity to liberate the South had come and that "there would be no other opportunity than this one. If we let it pass, within 10-15 years... the situation will become extremely complex" (p 362). In short, the events in the resistance against America for national salvation and the final victory of our people in this show of strength proved that our view on assessing the balance of power had been totally accurate. That view was outlined by Le Duan as follows: "Whether the revolution succeeds or fails, in the end, is determined by the balance of power. As we consider this balance of power, we must consider the overall results of all the material and spiritual factors and the political, military, economic and cultural forces that each side uses to fight the other side. It is not an abstract but rather concrete process; it is not a fixed ratio but a changing balance, the result of the dialectical development, both quantitative and qualitative, of the above-mentioned factors and forces" (pp 177, 178).

The 3rd Party Congress (1960) suggested an independent, self-supporting, correct and creative revolutionary line for the period of the resistance against America for national salvation: to simultaneously carry out two revolutionary strategies in the South and the North for the common purpose of achieving the people's democratic national revolution in the entire country and moving toward national reunification. The party clearly defined the role of each revolution in each part of the country and the close combination of the two revolutions for winning the fight against America for national salvation. It also mentioned the basic problems of the people's democratic national revolution in the South, from the purpose and force involved to the road to take to win victory.

Le Duan's greatest concern in the letters he sent to the South was to clarify the revolutionary method. For, as he put it, we "must and can defeat America if we know how to direct the revolution in a resolute and clever manner" (p 56).

The revolutionary method that our party was applying to the entire period of the people's democratic national revolution in the South -- the method that was pointed out in the party resolutions about the resistance against America for national salvation and reflected in the letters the general secretary sent to the South as he was interpreting it, materializing it and organizing its implementation -- could be summarized in just one sentence: to use the combined force of the people's war in order to win the American imperialists' aggressive war.

The combined force of the people's war originated from the good-cause nature of the revolutionary war and the power of revolutionary violence. In the resistance against France, our party had been using that combined force to defeat the enemy as our party adopted the policy of all-people, total and prolonged resistance. In the resistance against America for national salvation, our party reached a higher level as it was using that combined force. Le Duan indicated that revolutionary violence was the basic measure taken in our people's revolutionary struggle to defeat the enemy and to achieve national liberation. We were not to have any illusion about struggle by peaceful means. After the Geneva Agreement, as well as the Paris Accord, had been signed, we were making preparations for the revolution to continue moving forward on the road of revolutionary violence as we never entertained any doubt about avoiding the peaceful road.

According to the party view, the revolutionary violence was violence of the masses and relied on the strength of the masses in both forms of struggle -- political struggle and military struggle -- rather than solely on military strength, nor on the strength of weapons. Le Duan said, "We must stand on the revolutionary view to understand the violence of the masses, and only with an understanding of the revolutionary violence, the substance of which is the

masses rising up through both political and military struggle, we can really see the attacking position of the revolution " (p 160). By relying on the violence of the masses the revolution always was in an attacking position. When the enemy was strong, to launch an attack was for destroying him; when he was weak, to launch an attack was for repulsing him.

To use the combined force of people's war first of all was to cleverly combine the two aspects of the revolutionary violence. In "Letters to the South," Le Duan offered many in-depth analyses of the importance and capabilities of the political struggle and pointed to the richest and most flexible and varied forms of political struggle. As we were waging a good-cause war, our enemy could not help using political measures under the disguise of false independence and democracy to deceive our people. The great importance of the political struggle was found in its ability to unite the large revolutionary force, to divide the enemy ranks, to confuse and shake up the enemy and to isolate him to the extent of destroying his ranks. However, the principal tool that the enemy used to conquer our people was his military strength. Therefore, the military struggle aimed at defeating the enemy was of decisive significance. Our revolutionary method was to correctly combine these two forms of struggle in order to create the combined strength of revolutionary violence which ranged from low to high level. Le Duan said, "We must ponder in advance over the degree of severity that the enemy may bring to the war. Therefore, we must master the method of using political struggle combined with military struggle. This is the new substance, the new effective measure to take to deal with a very cruel, dangerous and shrewd enemy" (p 57).

In the military struggle, Le Duan mentioned the importance of building a military force consisting of three arms and coordinating their action in one strategy, with appropriate tactics and fighting methods to be adopted in order to develop a combined strength of the military force.

Along with the political and military struggle, to proselyte enemy troops in order to divide their ranks was also a useful offensive prong. Le Duan pointed out that under the conditions of the war not only having the nature of a resistance against aggression but also being a civil war as it existed on the battlefields of the South, to proselyte enemy troops had an important significance. Citing the experiences drawn from the Russian October Revolution and the August Revolution, he explained the need for a joint front of alliance among workers, farmers and soldiers.

The combined strength of the revolutionary war was thus found in the combination of three attacking prongs: political struggle, military struggle and troop proselyting. The combination of these three prongs was not to be the same in all locations and zones in the South. On the basis of the characteristics of different localities, the party suggested the building of three strategic zones:

the jungle and mountain zone, the rural delta zone and the urban zone. Since the geographic and social conditions and balance of power between us and the enemy were different in each zone, the formula for struggle with two legs and three prongs and the combination of the various forms of struggle were also different. Le Duan put aside many important sections in the letters he sent to the South for his arguments about the three strategic zones and outlined the plan for the struggle in each zone. The combined strength here was created in a coordination of the struggle in all three strategic zones in the most appropriate manner so as to score maximum victory in every location, battle and military operation and to move forward on all battlefields in the South.

Linked with the three strategic zones was the question of bases, which Le Duan considered a matter of great strategic importance for the people's war. Those were the places where we totally were masters; where we could build every aspect of the resistance force, particularly build the army, train the army, keep our logistical force; and where we could launch our attack on the enemy. The combined strength here was that of combining bases, the rear area and the front. In the resistance against America for national salvation, our party considered the North the strongest support of the revolution in the South. Therefore, to develop the combined strength of the people's war was to develop the effects of the great rear on the great front.

For the entire duration of the resistance, the diplomatic struggle was a necessity. Until a specific stage it had played an extremely important role. As a result, this combined strength was also reflected in the combination of the political and military struggle with the diplomatic struggle. Speaking about the importance of the latter, Le Duan pointed out, "We have been sustaining the resistance on three fronts -- military, political and diplomatic. While we affirm that the military and political struggle on the battlefields is a decisive one, we must know how to seize the right opportunity, to flexibly use the diplomatic weapon to make the most advantageous contribution to fighting and defeating the enemy and to consider it an important front itself" (p 317).

In short, Le Duan summarized as follows the use of the combined strength of the people's war: "The law of revolutionary war in our country, as well as in Indochina as a whole, is to launch uprisings and attacks, attacks and uprisings, while moving toward general offensive and general uprising to defeat the enemy. In other words, this is a process of combining political struggle with military struggle, and vice versa (the political struggle also includes troop proselyting and diplomatic struggle), a process in which the masses rise up as masters to destroy the enemy, to destroy the enemy in order to consolidate and widen their mastery, and of combining mass uprisings with revolutionary war, and vice versa, in order to score victories and to gradually move toward scoring total victory" (pp 224, 225).

Like the resolutions of the party, the letters sent to the South by the general secretary also skillfully reflected the art of revolutionary leadership, the art of directing the war.

The art of revolutionary leadership of our party was reflected in the fact that the party always knew how to link our people's struggle with the world revolutionary movement, "to step up the development of the two aspects at necessary and appropriate levels" (p 53) and to ensure victory for our country's revolution while still maintaining world peace; that our party had thoroughly understood the law of war and had been closely watching the changes of the situation and the designs the enemy was pursuing in each period in order to suggest the positions, purposes, measures and stands that had been pondered over and calculated in an extremely accurate and clever manner; and that our party always knew how to seize and create good opportunities and unexpected situations in order to defeat the enemy.

The art of the party in leading the revolution and directing the war was standing out specially through the turning points of the war. Applying the concept and opportunities as Lenin had mentioned, on the basis of the party's actual experience in leading the revolution, Le Duan mentioned a series of subjective and objective factors that had coincided and created the opportunities for the revolution and at the same time emphasized the subjective efforts as the principal factor. Analyzing the situation at the end of 1971, he said, "Our strategic victory in the spring of 1971, the withdrawal of more American troops at the end of this year and the 1972 American presidential election are events that coincide and create a good opportunity.... All our activities... must be to seize this opportunity and to score a really great victory of decisive significance" (p 272). At the end of 1974 and in early 1975, seeing the sure defeat of the puppets following the American withdrawal, he decided this was an once-in-a-lifetime opportunity and announced the determination to liberate the South. "The 1975 plan of action points to the task of each and every battlefield and at the same time guides the activities of all battlefields toward the common target -- to move by the fastest way toward a decisive strategic battle in the enemy's last refuge" (p 377).

In addition to seizing good opportunities, our party was very good at creating unexpected situations in order to defeat the enemy. Le Duan considered "knowing how to beat the enemy in an unexpected manner is one of the important factors in scoring victories, a combat formula that all military commanders must be very familiar with" (p 150). For "the unexpected factor is also a matter that is a law in the fierce and decisive battle between us and the enemy. If on the American side they always encounter unexpected situations because of their subjective attitude, on our side to create unexpected situations in order to fight and defeat the enemy surely is not a coincidence but rather the result of a whole process of building a strong force, creating a favorable

strategic posture and making both strategic and tactical calculations and preparations. Therefore, on the road to scoring total victory, our last battles must also be unexpected ones that have been calculated and prepared for in the most careful and thorough manner " (p 253). Exactly as the general secretary had anticipated, the 1975 Spring General Offensive and Uprising, with the great victory of the historic Ho Chi Minh Operation, was a great unexpected happening for the enemy.

Along with the party resolutions that will soon be made public, " Letters to the South " by General Secretary Le Duan helps readers to know more of what led to our nation's great victory in the historic confrontation with American imperialism and contributes to answering the question, " Why did Vietnam defeat America? " For the social scientists in our country and abroad, " Letters to the South " is a precious historical document that contributes to reviewing the experience in and recording the history of our people's sacred resistance against America for national salvation; reinforces the correct ideas, observations and conclusions; provides additional data; and rejects all distortions, unintentional or intentional.

" Letters to the South " is only a small part of what Le Duan said and wrote about the resistance against America for national salvation. Even so it is an extremely rich treasure of thoughts and theories and requires a great deal of careful study if the value of its contents is to be fully exploited.

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SCIENCE AND TECHNOLOGY

VIETNAM ELECTRONICS, COMPUTER INDUSTRY IN PERSPECTIVE

Hanoi HANOI MOI in Vietnamese 22 Sep 85 p 2

[Article by Trinh Duc Cuong, of the Electronic and Computer Science General Department: "Prospects of the Electronics and Computer Industry in Vietnam"]

[Text] The electronics industry and computer science is a young sector, rapidly growing. In the Soviet Union and East European socialist countries, even in the period between 1965 and 1970, the average annual growth of the electronics industry was 1.5 to 2 times greater than that of other industries. The following few features will testify to that astounding speed: If in the 1950's, there were, in the whole world, only a couple of hundred computers capable of doing about 2,000 computations a second, in 1980, there were half a million computers doing several tens of million computations per second. In 1960, the number of transistors produced in the whole world was half a billion units with each having a different design; in 1980, the world manufactured a quantity of transistors (or devices with similar functions) numbered at 10 trillion, most of them being integrated in electronic circuits. If divided equally among all humans on earth, each person would get 2,500 transistors.

It is estimated that by the year 2000, the number of transistors will reach 40 quintillion units. Meanwhile, the cost of a transistor has decreased 1,000 times in the past 10 years (1970-1980). A computer worth \$20 million in 1960 sold for only \$1,000 in 1980, and it is estimated that by the year 2000, its price will go down to \$10.

The time when the development of a country was only evaluated in terms of mechanization and electrification is long gone. Nowadays, such evaluation must be completed by the level of computerization and automation.

It was not at random that computerization and automation became part of CEMA'S priority programs of scientific and technical research.

In past years, our country produced millions of normal transistors every year. We also have the capability of producing tens of million of various types of condensators and resistors. Some black-and-white and color televisions are assembled from half-finished products from Poland,

Czechoslovakia and some other countries and bear the label Viettronics at the end of the assembly lines. We also manufacture some ferrites and radios with different low and high power. Many types of amplifiers and some industrial pressure stabilizers have made their appearance on the market. In the past 15 years, many computer systems have been used, contributing to cadre training, and providing data for many topics in support of the economy, social services and national security. Some three-phase transporters, specialized receivers and transmitters, various types of luminous diodes, selenium print masters, solar batteries, silicon monocrystal materials, and electro ceramics have also been successfully researched at many scientific organizations, and test-manufactured in reduced forms. For various reasons, investments in the electronic and computer industry in our country in recent years were very small, and were able to address only a minimal part of the huge consumer needs as well as of the needs of the national economy.

Due to the support of the party and government, on 11 August 1984, the Electronic and Computer Science General Department was created, and we were then able to think about future development projects. Our objective is, in the next couple of decades, striving to make the electronics and computer industry one of the industrial spearheads of our country. In order to achieve this objective, we have to complete the creation of a new industry capable of manufacturing electronic materials, primarily some essential semiconductors, certain superclean chemicals as well as some alloys and special polymers, and in the meantime, we need to exploit and process many of our existing resources used in the electronics industry. At the same time, we will strive to build an industry that produces electronic components in various designs, from the manufacturing of export electronic products or contracting with foreign countries for certain specialized products for export, to the production on our own of corresponding parts. Through this method, we can assure the direct or indirect supply of various components which are basically heterogenous (such as plug-in components, electronic accessories, magnetic parts, passive and semiconductor parts, as well as electronic microcircuits, etc) for the manufacturing and repair of electronics equipment in our country. We must also shape up another industry that produces electronics equipment for specialized and civilian use, striving to allow most families to have radio and television sets at home and those who do not, to watch television collectively, and equipping almost all hamlets and villages with public-address systems. At some point, each general secondary school student, each cooperative accountant, and each sales clerk must have an electronic pocket calculator. Digital clocks and electronic toys need to be mass produced. In the long run, we must have at our disposal electronics equipment to support production automation. They include builtin microcomputers in machine tools, and electronically programmed chain production systems in industry.

In terms of computer hardware, computers and communications receiving and transmitting equipment must also be assembled from existing components. With regard to computers, we must focus on producing microcomputers and put them to work in almost all government agencies, schools, ports, airports,

service agencies, etc. We must build state and local computer terminals able to make a few million to tens of millions of computations a second. From the above computer systems, we will create a national unified network of information systems.

In addition to a hardware industry, we also need to create a software industry, such as the development of electronic languages and various programs ranging from operational systems and basic programs to application programs. The software industry is a scarce technological area that will allow us to take shortcuts and catch up with the world technology in computer science while our electronic physical installations are still minimal.

In the immediate future, in the 5 years between 1986 and 1990, we must step up the production of electronic consumer products, with emphasis on the substantial increase of our capabilities to supply radios and other listening devices for the people, and in the meantime, strive to win contracts for assembling electronic components for export which will address the needs of the national electronics industry, and finally, to start the use of microcomputers in economic and social management. In addition, we must expand the electronic repair and service systems in order to exploit to the optimum existing electronic equipment, especially newly installed electronic equipment in industrial plants, and to provide repair service for civilian-use electronic equipment.

Our country possesses distinct advantages for the development of an electronics and computer industry. Our initial investments in the industry are modest. The industry needs small physical installations and light transportation means. Its products are manufactured in a relatively short time. We are intelligent and our labor force is abundant. And finally, we benefit from the support of the Soviet Union and other brotherly countries, and the cooperation of other countries. Given all those favorable factors, we can hope that the electronics and computer industry will achieve new progress.

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